

FINANCIAL TIMES

SOUTH AFRICA
Vying for the soul of the Afrikaner
Page 25

No.30,664

Tuesday October 11 1988

D 8523 A

World News

Strougal resigns as Czech Prime Minister

Czechoslovakia's Prime Minister, Lubomir Strougal, resigned...

Six die at disco

At least six young people were crushed to death at a multi-racial disco in Johannesburg...

Sri Lanka bloodshed

Indian troops shot dead 11 suspected Tamil separatist guerrillas in an ambush near Vavuniya in northern Sri Lanka.

Palestinians decide

Palestinian leaders, meeting in Tunis, agreed to recommend the declaration of a Palestinian state - probably before the end of the month - but not to establish a provisional government for the time being.

Soviet minister goes

Alexander Vlasov was relieved of his duties as Soviet Industry Minister, after his appointment last week as Prime Minister of the largest Soviet republic, the Russian Federation.

Frontline summit off

A summit meeting of six southern African leaders, set for Wednesday in Botswana, was cancelled abruptly because of disagreement over how far to respond to overtures by South African President P.W. Botha.

Madeira poll result

Portugal's ruling Social Democratic Party (PSD) retained power in weekend elections in the semi-autonomous islands of Madeira and the Azores.

Front expels MP

France's extreme right-wing National Front said it had expelled its sole member of Parliament for betrayal of party positions on issues such as priority employment for French citizens.

SA polls open early

South Africa, facing calls from anti-apartheid groups to boycott racially segregated municipal elections on October 26, relaxed normal rules for proxy and postal voting, saying that anyone who wanted to vote early could do so.

Seaga windfall

Hurricane Gilbert, which battered the Jamaican economy a month ago, brought Prime Minister Edward Seaga a political windfall in terms of increased popularity.

Chile poll row

Chilean opposition groups reacted angrily to Government attempts to present Gen. Augusto Pinochet's defeat in last week's plebiscite as a triumph, and to his refusal to bring forward his departure from office.

Tories look back

Britain's Conservative Party gathered for its annual conference in the seaside resort of Brighton, where Prime Minister Margaret Thatcher narrowly escaped death by an IRA bomb in 1984.

Business Summary

Wall Street stocks at post-crash high

WALL STREET stocks closed at their highest level since last year's market crash in a continuation of Friday's strong rally. The Dow Jones Industrial average climbed 8.71 points to 2,158.96 as declines and advances were about even on New York Stock Exchange volumes of 126m shares.

CHEFFER prices continued to rise

CHEFFER prices continued to rise as stock figures carried on falling. Shearson Lehman Hutton, London broker, predicted a "strong and volatile" copper market for the next few months.

INTERNATIONAL repercussions of Miroc's bid

INTERNATIONAL repercussions of Miroc's bid for Consolidated Gold Fields, UK mining and industrial group, spread to Papua New Guinea, where Prime Minister Rabbin Namalia said a Gold Fields subsidiary would be expected to sell its interests if the bid succeeded.

TRINA's Lansen & Toubré and Bellanca industrial groups

TRINA's Lansen & Toubré and Bellanca industrial groups agreed to form an alliance that could form the base of a chemicals and engineering conglomerate of world scale.

AL-SAUDI Banque is to be split into two

AL-SAUDI Banque is to be split into two for tax reasons by the regulator after they launched a bailout operation for the French banking group which they said was "within hours of bankruptcy".

FRANCIS Bouygues, chairman of Bouygues, leading French construction and media group

FRANCIS Bouygues, chairman of Bouygues, leading French construction and media group, is expected to step down today as chairman of the French TF-1 privatised television network.

SOVIET UNION'S Bank for Foreign Economic Affairs and West Germany's Landesbank Rheinland-Pfalz

SOVIET UNION'S Bank for Foreign Economic Affairs and West Germany's Landesbank Rheinland-Pfalz jointly founded the first finance company to combine capital from eastern and western Europe.

GATT mechanisms for settling trade disputes between member nations are likely to be substantially improved next year following the tabling by 18 countries of proposals.

PARIBAS, French privatised financial group, acquired a stake of nearly 5 per cent for about FF250m (\$40m) in Beghin-say, France's largest sugar producer controlled by the Italian Ferruzzi group.

SALOMON BROTHERS, the Wall Street investment bank, opens a Madrid office this month with the task of finding a buyer for 24 per cent of Inesal, the Spanish state-controlled aluminium holding company.

TOKYO Stock Market was closed for the Sports Day holiday and some New York markets closed early for Columbus Day.

Benjedid pledges political reform in bid to end riots

By Francis Giles in London

ALGERIAN President Chadli Benjedid last night promised wide-ranging political reform in a nationwide television broadcast, in an attempt to end nearly a week of riots.

He said, however, that the Government's economic austerity drive would continue and pledged a firm line against what he called sabotage.

Shooting by police and troops in the centre of the capital sent citizens running for cover as the security forces attempted to break up a march on the office of President Benjedid by thousands of demonstrators apparently inspired by FLN's ageing executive director, is among the most unpopular politicians in the country.

There were unconfirmed reports of further deaths after estimates put the toll at 200. No official figure has been released.

FLN's ageing executive director, is among the most unpopular politicians in the country. He and his entourage are seen as symbols of the extent to which the FLN - founded in the early 1950s to fight French rule in one of the bloodiest liberation wars this century - includes a group with a liking for power and doing all it can to thwart President Chadli's attempts at reform.

Yugoslav army leave suspended as worker protests continue

By Judy Dempsey in Belgrade

THE authorities in Yugoslavia yesterday suspended leave for the army in the face of continuing student and worker unrest in the southern republic of Montenegro which prompted one of the area's leaders to resign.

Yugoslav news agency Tanjug said "urgent measures" were being taken to deal with unrest in the republic.

While the Montenegro unrest has focused mainly on economic grievances, observers said it could strengthen the hand of Mr. Milosevic. The Serbian leader has presented himself not only as a staunch nationalist but also as a scourge of corrupt and incompetent leaders throughout Yugoslavia, and an economic reformer.

Renault lays off 22,000 after Le Mans strike

By Paul Batts in Paris

RENAULT, the French state-owned car group, yesterday laid off 22,000 workers after a local strike by 250 in one of its smaller workshops.

Workers in Renault's axle manufacturing workshop of Le Mans initially went on strike last week over a dispute on company merit bonus payments. The 250 workers of the Le Mans plant have since extended their demands for full salary renegotiation and additional bonuses which the company has rejected.

Protesters surround the town hall of Niksic in the southern Yugoslavian republic of Montenegro

Protesters surround the town hall of Niksic in the southern Yugoslavian republic of Montenegro

Chevron pays Tenneco \$2.6bn for Gulf of Mexico interests

By James Buchan in New York

CHEVRON, the San Francisco energy group, yesterday announced a big expansion in its US oil and gas reserves with the \$2.6bn purchase of Tenneco's oil and gas interests in the Gulf of Mexico.

The deal, which comes at the close of a hotly-contested three-month auction for the Houston conglomerate's entire oil business, will give Chevron recoverable oil and gas reserves equivalent to 600m barrels of oil as well as 600,000 acres of undeveloped exploration acreage in the Gulf.

For Chevron, yesterday's deal will help reverse the slow decline in its reserve base - most of it in the US - since its mammoth \$18.3bn purchase of Gulf of Pittsburgh and its reserves in 1984. Chevron will also become the largest US gas producer through the addition of properties producing 700m cubic feet a day of natural gas.

Yesterday's sales will also transform Tenneco, which had \$14.8bn in revenue in 1987, into a predominantly industrial company based round the troubled Case IH farm machinery business.

MARKETS

Table with market data: Hong Kong Hang Seng Index, US benchmarks, Federal Funds, 3-mth Treasury Bills, Long Bond, SOLE, DM, COMEX DEC.

Table with stock indices: New York close, Dow Jones Ind. Av., S&P Comp, London, FT-SE 100, Nikkei Ave, COMEX DEC.

Table with oil prices: Brent 15-day (Argus), West Tex Crude, Euro-options.

Table with agricultural and commodity prices: Agriculture, Gold, World Guide, Commercial Law, Commodities, Crossed, Currencies, Editorial Comment, Euro-options.

Table with financial futures: Financial Futures, Gold, International bonds, Int'l. Capital Markets, Letters, Management, Money Markets, Observer.

Table with exchange rates: Exchange Rates, US dollar, Swiss franc, West German mark, Japanese yen, British pound, Italian lira, French franc, Dutch guilder, Spanish peseta, Portuguese escudo, Greek drachma, Irish punt, Australian dollar, New Zealand dollar, Hong Kong dollar, Singapore dollar, Thai baht, Indonesian rupiah, Philippine peso, South African rand, South Korean won, Taiwan dollar, New Taiwan dollar, Chinese yuan, Vietnamese dong, Cambodian riel, Lao kip, Burmese kyat, Sri Lankan rupee, Nepalese rupee, Indian rupee, Pakistani rupee, Bangladeshi taka, Sri Lankan rupee, Nepalese rupee, Indian rupee, Pakistani rupee, Bangladeshi taka, Sri Lankan rupee, Nepalese rupee, Indian rupee, Pakistani rupee, Bangladeshi taka.

Table with world index: World Index, Europe, Americas, Companies, Overseas, World Trade, Africa, Middle East, Asia, Oceania, Australasia, Pacific, Far East, South America, Central America, Caribbean, Africa, Middle East, Asia, Oceania, Australasia, Pacific, Far East, South America, Central America, Caribbean.

Table with world index: World Index, Europe, Americas, Companies, Overseas, World Trade, Africa, Middle East, Asia, Oceania, Australasia, Pacific, Far East, South America, Central America, Caribbean.

Table with world index: World Index, Europe, Americas, Companies, Overseas, World Trade, Africa, Middle East, Asia, Oceania, Australasia, Pacific, Far East, South America, Central America, Caribbean.

Table with world index: World Index, Europe, Americas, Companies, Overseas, World Trade, Africa, Middle East, Asia, Oceania, Australasia, Pacific, Far East, South America, Central America, Caribbean.

Table with world index: World Index, Europe, Americas, Companies, Overseas, World Trade, Africa, Middle East, Asia, Oceania, Australasia, Pacific, Far East, South America, Central America, Caribbean.

Table with world index: World Index, Europe, Americas, Companies, Overseas, World Trade, Africa, Middle East, Asia, Oceania, Australasia, Pacific, Far East, South America, Central America, Caribbean.

Table with world index: World Index, Europe, Americas, Companies, Overseas, World Trade, Africa, Middle East, Asia, Oceania, Australasia, Pacific, Far East, South America, Central America, Caribbean.

Table with world index: World Index, Europe, Americas, Companies, Overseas, World Trade, Africa, Middle East, Asia, Oceania, Australasia, Pacific, Far East, South America, Central America, Caribbean.



OUR EXPERIENCE IN BUILDING UP INVESTMENT VALUE IS ROCK-SOLID.

We operate on the principle of security and the largest possible return. This must work because amongst our clients are large companies with significant funds to invest. Apart from the usual investments we offer German national and local bonds, unique to us. And as an important issuing bank we always keep an eye on the market watching for new beneficial trends. Norddeutsche Landesbank is one of the 10 largest banks in West Germany and one of the top hundred in the world. It is a public law credit institution owned by the Federal State of Lower Saxony and the Lower Saxonian Savings Banks. These owners guarantee all liabilities of the bank on a joint and several basis. Norddeutsche Landesbank is a world-wide bank participating fully in all sectors of the domestic and international banking field. Our total group assets in 1987 came to 101.5 billion DM. With our branch in London and the subsidiary in Luxembourg we have two operating bases that enable us to look after business interests right on the spot.

NORD/LB
London Branch
20, Broad Street
London EC2 2DB
Phone: 511/103-0
Telex: 9216-20
NORD/LB
Luxembourg Branch
L-1140 Luxembourg
Phone: 01/6001721
Telex: 894882
NORD/LB
Zurich Branch
Zürcherstrasse 10
CH-8001 Zurich
Phone: 42211-1
Telex: 2485



EUROPEAN NEWS

Discord worsens on French political right

By Ian Davidson in Paris

DISARRAY AMONG France's right-wing opposition parties has reached a new intensity, with fratricidal quarrels at the top of the extreme right-wing National Front party, and an apparently unbridgeable split between the various strands of the respectable conservative opposition over the handling of the forthcoming referendum on the future of New Caledonia.

members of the National Assembly. Yesterday, in what appears on the surface to be a death wish, the National Front yesterday lost its last remaining member, by excluding the lady from the party. The specifics of this quarrel go back to the beginning of September, when Mr Le Pen caused an outcry by a comment about a centrist member of the Government. Several leading members of the party immediately dissociated themselves from the remark, and two of them were driven out of the party, including Mr Pascal Arrighi, former deputy for the Marseille region.

Mrs Yann Piet, the remaining National Front deputy, also remonstrated with Mr Le Pen in public, saying that a public figure "ought to know how to watch his words", but at the time she went unpunished. Yesterday, however, she was thrown out of the Front for breaking party discipline by announcing that she would vote for the Government's proposed minimum guaranteed income plan, or Revenu Minimum d'Insertion (RMI). The National Front objects to the RMI because, under pressure from the racial equality lobby, it will be made available to properly settled immigrants, as well as to natural

Frenchmen. The Front's troubles may be due indirectly to the fact that the traditional conservative parties are now in the opposition, and as a result are in a natural position to pick up part of the inchoate protest vote. But it is still much too early to conclude that the National Front is a spent force. In any case, the respectable conservative parties are themselves now set on a self-destructive collision course over the New Caledonia referendum. After long procrastination, the Gaullist RPF party now seems almost certain to opt for abstention in the referendum; the party does not dare

to condemn a policy which has brought peace to the Pacific territory but does not care to recommend one which is the exact opposite of that pursued by the Gaullists in power only six months ago. The Gaullists' opposition partners, in the centre-right UDF grouping, are characteristically divided on the issue. Former President Valéry Giscard d'Estaing, leader of the UDF, is hostile to the very idea of a referendum; but the centrist CDS party, within the UDF umbrella, is committed to an unqualified "Yes" vote, and the Republic party is committed to a qualified "Yes".

Strougal quits as Czech Premier

CZECHOSLOVAKIA'S Prime Minister, Mr Lubomir Strougal, who is renowned as a reformer in Prague's generally conservative leadership, resigned yesterday, according to the official Ceteka news agency. Reuters reports from Prague. Mr Strougal had held the post since 1970. His resignation was announced on the first day of a meeting of the ruling Communist party's policy-making central committee. Ceteka also said that the Deputy Premier, Mr Peter Colotka, who is also head of the Slovak government, had resigned, too.



The Soviet Foreign Minister, Mr Eduard Shevardnadze, arrived in Prague yesterday for a three-day official visit - his first to France - which is expected to pave the way for a Franco-Soviet summit and set a new tone in relations, Reuters reports. Speaking on arrival at Orly airport, Mr Shevardnadze (pictured above with Mr Roland Dumas, right, his French counterpart, and the Soviet ambassador) confirmed that a summit meeting between President Francois Mitterrand and Mr Mikhail Gorbachev would be on the agenda. Mr Dumas confirmed earlier that France's Socialist Government was seeking to turn a new page in relations with the Soviet bloc, often soured by French concern over alleged human rights abuses. French press reports say Mr Mitterrand may travel to Moscow for a November 23 space launch, that will take Frenchman Jean-Luc Christien into orbit aboard a Soviet rocket. But officials maintain that nothing has been confirmed.

Austria seeks to reassure Moscow over EC entry

By Quentin Peel in Moscow

THE Austrian Chancellor, Mr Franz Vranitzky, will seek to reassure the Soviet Union this week that Austrian membership of the European Community would not compromise its neutrality. The Soviet concern was underlined again yesterday, as the Chancellor arrived for a four-day official visit, when the Communist party newspaper Pravda said on its front page that the Soviet people were confident that the visit would "develop the friendly relations

with neutral Austria." One focus of the visit will be on the trade relations between the two countries, with a number of contracts and joint venture plans expected to be signed or announced. Austria is seen in Moscow as a valuable intermediary in its efforts to expand trade relations with the West, but the strategic question of Austrian neutrality still ranks more importantly. The Soviet argument is that the EC is evolving increasingly towards a political as well as

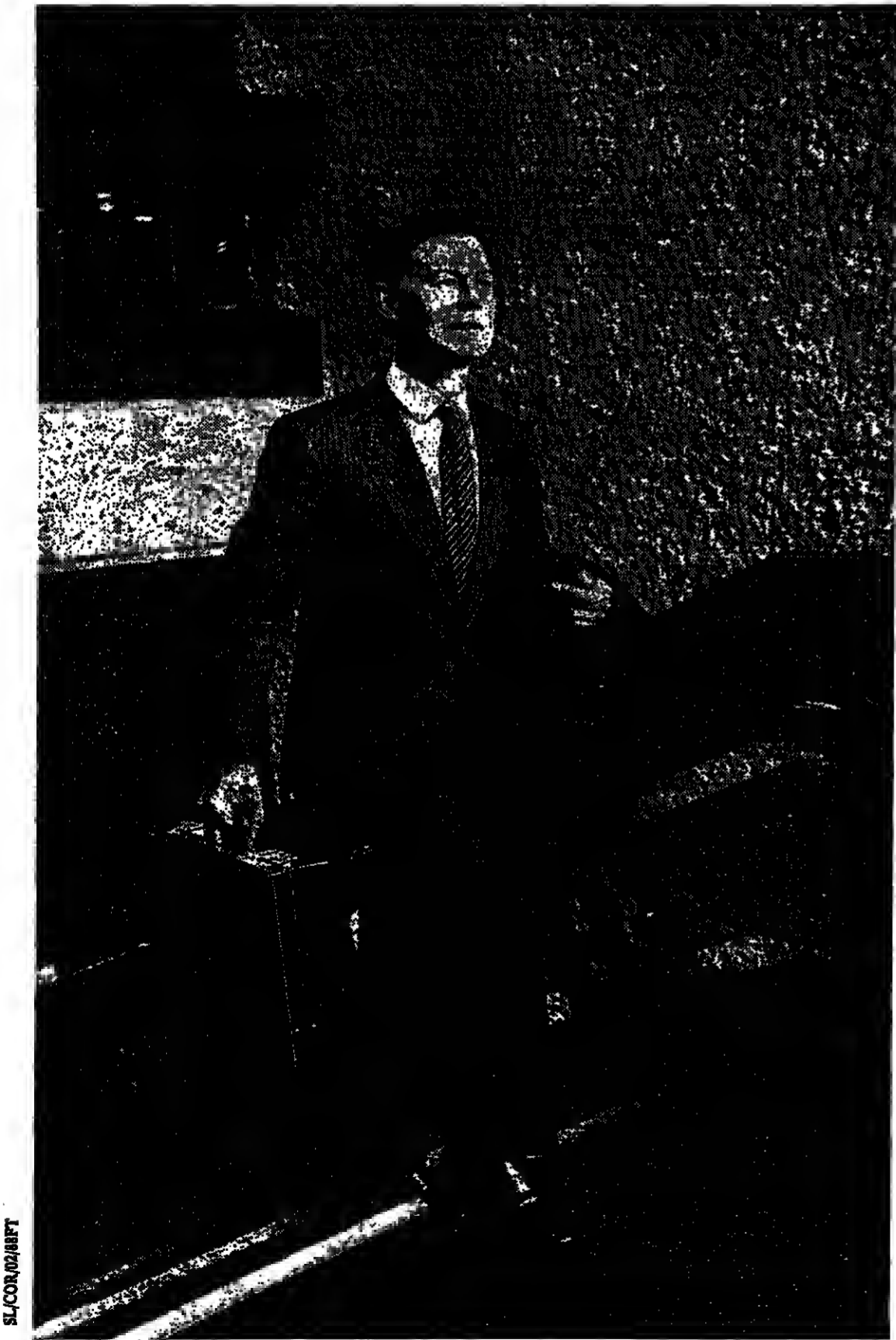
economic role - and one in which the Nato member states are dominant. The Austrian argument is likely to cite the case of Ireland, which has succeeded in maintaining its neutrality within the Community. Clive Cookson and Judy Dempsey add: There are differences of emphasis within Austria's ruling coalition over the prospects for an early application to join the EC. Mr Alois Mock, the conservative Vice-Chancellor and Foreign Minister, stated on his

return from a Moscow visit last month that the Soviet Union imposed no obstacles. However, in an interview with an Austrian political weekly, the Socialist Mr Vranitzky gave a more sober assessment. He said that during a recent cabinet meeting, at which Mr Mock's trip to Moscow was raised, it emerged that the Soviet authorities did in fact raise questions about a possible Austrian application. Mr Mock is a staunch defender of an early applica-

tion to Brussels, and is supported by the industrial lobby and the banking community. Mr Vranitzky has taken a more cautious approach. He has yet fully to persuade the left wing of his party of the benefits of membership, and he also wants time to prepare the country both economically and socially. Mr Robert Graf, the conservative Economic Affairs minister, said yesterday that Austria would apply for full membership "no later than next year".

SIEMENS

Yesterday, this man lost two stones



We're referring to the removal of kidney stones. Without surgery. Without general anaesthetic. Without a lengthy stay in hospital. In short, an alternative that reduces the strain on patients as well as hospital resources.

LITHOSTAR® from Siemens is a new generation of machines that dissolve renal and ureteric stones by the use of shockwaves - a principle known as Extracorporeal Shockwave Lithotripsy (or ESWL).

It is a safe and extremely effective method, using a sophisticated X-ray and digital image system to locate the stones, and to control and monitor the treatment.

LITHOSTAR is typical of Siemens continuing commitment that is helping change the face of medicine.

Siemens is one of the world's largest and most innovative electrical and electronics companies, with a clear commitment to providing a consistently high standard of service to our customers.

For further information on Siemens send for our new booklet 'Siemens in the UK'.

Siemens Limited, Siemens House Windmill Road, Sunbury-on-Thames Middlesex TW16 7HS Telephone: 0932 785691



LITHOSTAR in action - fast elimination of kidney stones without surgery.

Innovation Technology Quality Siemens

Greek court votes for extradition to US in bomb case

By Andriana Ierodiakonou in Athens

A GREEK appeal court yesterday voted 2-1 in favour of the extradition to the US of a Palestinian held here since May on suspicion of involvement in a 1982 bomb attack on a US airliner. The case will be referred to the Supreme Court following an appeal, however. Delays in the Greek decision have been a source of friction between Athens and Washington.

Greece's ruling Socialists have always drawn a distinction between terrorist and "national liberation" movements, and support for the Palestinian cause is a cornerstone of their Middle East policy.

The 28-year-old Palestinian, identified as Mohammed Rashid, was arrested at Athens airport for travelling on a false Syrian passport.

Anti-corruption drive launched in Azerbaijan

By Quentin Peel in Moscow

A BIG drive against corruption, nepotism and black-marketeering has been launched in the Soviet republic of Azerbaijan, where it has been blamed as a major cause of the bitter ethnic strife between Azeris and Armenians over the future of the enclave of Nagorno-Karabakh.

A purge of officials in the Communist Party, elected Soviet and economic management bureaucracy in the republic is now under way, according to Mr Abdul-Rakhaman Vezirov, the man installed last May as party leader to restore order.

At the same time, the Soviet authorities appear to have made a significant concession to the Armenian protesters who are demanding the secession of Nagorno-Karabakh from Azerbaijan to Armenia.

They have agreed that Russian courts, and not Azerbaijani ones, will try the major cases arising from last February's race riots in the city of Sumgait, where 32 people died in the clashes, 26 of them Armenians.

The details were published yesterday in Pravda, the main Communist Party newspaper, in a major report on the situation in Azerbaijan and Nagorno-Karabakh itself.

The real scourge of Azerbaijan is shameful speculation, and the combination of criminal elements with people in the departments of law and order, and even in the (Communist)

Party and Soviet bodies," the newspaper's correspondents wrote. Poor living conditions and pollution were also to blame for the riots, it says. Pravda's report had suggested that the nationalists were little better than criminals seeking to cover up their corrupt activities by inciting ethnic hatred.

Pravda's publication comes just two days after the Armenian Communist Party called for urgent action from Azerbaijan to speed up a Moscow-financed investment programme in Nagorno-Karabakh, intended to head off the secessionist demands.

Armenian nationalists have claimed not only that the Azerbaijan government is dragging its feet, but also that what little has been spent on new housing and social amenities has benefited Azeri and not Armenian communities. Some 75 per cent of the population of Nagorno-Karabakh is Armenian.

Pravda admits that more could have been done, and faster, to overhaul the administration of the republic.

It cites a string of production figures to show the extent of economic stagnation in Azerbaijan under the former Communist Party leadership: a 52 per cent drop in grain production, 66 per cent decline in meat, and 70 per cent drop in milk output between 1970 and 1987.

Strike threatened at key steel plant in Poland

By Christopher Bobinski in Warsaw

THE OFFICIAL trade union at the Laziska steelworks, a key Polish producer, is threatening to flout the law and call a strike unless the Government agrees to ease tax restrictions and thus enable management to raise wages.

Not only is Laziska a near-monopoly producer of ferro-alloys but the strike, which has been called for next Saturday, would come a few days before the round-table talks on the country's future between the authorities and the banned Solidarity movement.

At those talks Mr Lech Walesa will be urging the Government to legalise Solidarity which is challenging the official union, who argue that they are hamstrung by legislation which makes it difficult to organise strikes. Union officials at Laziska say the 2,000-or-so workforce has been up in arms since the beginning of September and that they have no choice other than to support the demands. "We will not give up the initiative," Mr Jerzy Mysior told the Magazyn Rybnicy trade weekly. "As a union we are fighting for our lives," he added, implying that otherwise his members would turn to Solidarity for support.

The official steelworkers' union is federated has yet to take a position on the issue. Yesterday, Mr Antoni Iwanicki, its secretary, pointed out that other steel plants were in a worse position.

The Government for its part is resisting the demand as part of its effort to slow wages growth and thus combat inflation.

EC law faces rising challenge

By William Dawkins in Brussels

THE NUMBER of suspected infringements of European Community law rose to the highest level for nearly a decade in 1987, but more disputes are being resolved before they get to court, the Brussels Commission said yesterday.

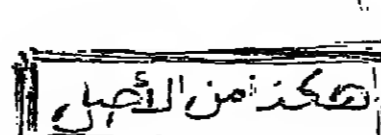
The European Commission sent out 572 warning letters to EC companies, Governments and public organisations last year, 10 per cent more than the previous year and the highest since 1979, according to its annual report on the policing of EC law. The study illustrates how Brussels is having to work harder to ensure the rules of an internal market are being observed, as more barrier-breaking laws get adopted in 1987.

A large number of infringement proceedings are the result of complaints lodged by member-states - like the UK's claim that France wants unfairly to limit imports of British-built Nissan cars. As well as trade disputes, they involve EC environmental and consumer protection rules. Last year, the Commission issued 197 so-called reasoned opinions, the next stage after the initial warning letter, up from 164 in 1986. Only 61 cases were referred to the European Court of Justice, down from 71 in 1986 and 113 in 1985 - though those cases are usually the result of complaints lodged in earlier years. The worst offenders are Italy, which was taken to court 21 times last year for allegedly breaking EC laws, followed by Greece. The report does not mention the Nissan row by name, but it does highlight a UK investment aid to a Japanese company, granted on condition that it used 80 per cent local content. "Following the Commission's intervention, this condition was amended so that all products originating in the Community are treated in the same way," says the report.

Officials said this had no bearing on deliberations on French complaints that UK-built Nissans should only be granted free market access if they have 80 per cent local content.

FINANCIAL TIMES Published by the Financial Times (Europe) Ltd, Frankfurt Branch, represented by H. Hugo, Frankfurt/Main, and as members of the Board of Directors: F. Barlow, R.A.F. McClean, G.T.S. Dwyer, M.C. Gorman, D.E.P. Palmer, London. Societate-Druckerei-Gesellschaft, Frankfurt/Main. Responsible editor: G.D. Owen, Financial Times, Sweden House, Cannon Street, London EC4A 3DF. © The Financial Times Ltd, 1988.

FINANCIAL TIMES, USPS No 190690, published daily except Sundays and holidays. US subscription rates \$365.00 per annum. Second-class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address change to: FINANCIAL TIMES, East 60th Street, New York, NY 10022. Financial Times (Scandinavia) Ltd, Ostergade 44, Copenhagen, DENMARK.





EUROPEAN NEWS

Openness arrives in Hungary under careful control

Leslie Colitt in Berlin looks how Karoly Grosz is avoiding Alexander Dubcek's route to reform

HUNGARIANS are being treated by their reform-minded Communist leadership in an outbreak of openness, the like of which has not been seen in Eastern Europe since Czechoslovakia's Prague Spring of 1968.



Grosz: free-wheeling

But unlike Mr Alexander Dubcek, the ill-fated Czech leader, Mr Karoly Grosz, the reformist Hungarian party chief, is determined to remain firmly in control of the pace and dosage of liberalisation. The Hungarian media these days has been given unprecedented freedom to deal with issues which, until recently, were taboo. Topics as varied as the activities of Mr Lech Walesa in Poland are being aired with relish. Mr Grosz and his senior aides grant free-wheeling interviews at a rate which would astonish many Western leaders.

Mr Grosz wants to gain credibility for a programme to democratise Hungarian institutions, including the party, to win over Hungarians decidedly sceptical about economic reforms. He has clearly stated, however, that while the party in the future will have many voices and will tolerate minority views within its ranks, its leading role will not be questioned.

At its launch last December as a loose movement of writers and other intellectuals who urged sweeping political reforms, HDF was opposed by the then largely conservative-ruled politburo. But it received support from a leading reformer, Mr Imre Pozsgay, at that time head of the People's Patriotic Front, who had allied himself with Mr Grosz.

In the May leadership reshuffle, Mr Pozsgay was hoisted into the politburo and named Minister of State while being given responsibility for overseeing the mass media. Before the year is out he may well be chosen to be Hungary's new Prime Minister, a post still held by Mr Grosz.

Mr Gyoergy Marosan said in an interview that such citizens' movements coincided with party policy and the government was "extremely pleased" by them. HDF, he said, had shown by its statements that it was ready to "co-operate" with the Government. In contrast to more militant opposition groups which had issued "aggressive" statements.

Many Hungarian intellectuals, however, remain unconvinced that the party is aiming for genuine democratisation of political life. They note that shortly after Mr Grosz became general secretary of the party, dissidents were able to place a wreath on the unmarked grave of Mr Imre Nagy to mark the 30th anniversary of his execution as the Hungarian leader during the 1956 Hungarian uprising. But when they attempted to mark the anniversary on a busy square in central Budapest, they were taken into custody.

Dialogue with any opposition group which agrees to operate within the law. One sceptical member of the opposition, Mr Ferenc Kocszeg, editor of the dissident journal Beszalo, remarked that this probably amounted to an arrangement under which Mr Pozsgay agreed to speak in his office with dissidents who, on leaving, would then be "arrested by the security forces."

Nonetheless, a draft law, expected to be adopted later this year, will provide a legal foundation for the many unofficial associations - including two independent branch trade unions and an independent student organisation - which have recently sprung up. A radically new company law, approved by Parliament last Wednesday, is to place private and joint stock companies on an equal footing with state firms for the first time in a Communist country.

At the heart of the reform is a new electoral law which is to lead what the party promises will be a democratic parliament in place of the ceremonial legislature which now meets four times a year to approve government bills.

The highly respected Hungarian economic weekly Heti Világgazdasag (HVG) noted recently that the constitutional committee was leaning towards the creation of a bicameral legislature in which the Communist party would dominate the lower house while the upper house would contain a cross-section of MPs representing the non-Communist majority. But this, HVG warned, would again mean that the party and not the people would decide which interests of society were worthy of representation.

Single market set to sharpen competition in EC drug industry

By Peter Marsh

WESTERN EUROPE'S \$25bn-a-year pharmaceutical industry is likely to become more competitive over the next few years as a result of the planned unification of the European Community market in 1992.

The opening of the market is likely to lead in particular to increased trade in drugs between countries and more mergers and cross-border partnerships involving European health care companies. These are among the conclusions of a report on the European drugs industry from Key Note Publications, a London-based market research group. The study says that the gradual evolution of common standards between different European nations in licensing new formulations and setting prices for existing products "should create more equal conditions for competition within EC markets so that covert, and sometimes overt, national prejudices and interference can be reduced."

changers of drugs. The proportion of generic products in total sales is around 10 per cent in many countries, but is rising rapidly in some cases. Many European states buy most of their pharmaceuticals from local manufacturers rather than from those in other European nations - even though prices abroad may be cheaper. This is generally a result of pressure on governments by companies in their territories.

These obstacles to trading between different countries restrict inter-EC drugs trade to about £3bn a year, or roughly one-sixth of total pharmaceutical purchases in the EC. Trading of this sort, however, is likely to grow with the opening of the market, according to the report. There are about 1,500 drug companies in the EC of which only about 20 have annual sales in Europe of £10m or more. The report says that as trade barriers are reduced "there is likely to be greater consolidation of companies - to strengthen product ranges, eliminate weaknesses in technical research or to link similar products with more resources for effective marketing."

Budapest considers special economic zone

HUNGARY is considering plans to set up Eastern Europe's first special economic zone which could forge concrete trading links between East and West, according to a senior Hungarian banker, Reuters reports from Sopron in Hungary.

town of Sopron could be operating by the mid-1990s, although a less ambitious free trade zone was also possible. Mr Demjan announced the project during a conference on links between the EC and the East bloc trade organisation Comecon. He stressed that planning was in an early stage and economists were still working on a proposal to be submitted to the Government.

Inflation fears and election worries pull Ozal in opposite directions

TURKS ARE bracing themselves for a winter of high inflation, following the referendum on September 25 which dashed the Government's plans to get local elections out of the way early in November.

(ANAP) in the winter run up to the local elections. These must now be held as constitutionally scheduled in March. The ANAP has already been overtaken in opinion polls by the main opposition Social Democratic Populist Party (SHP).

However, the signals are conflicting. After a week of deliberation, the country's Higher Planning Board agreed on the 1989 economic programme, which calls for tight monetary policy and reduced growth even at the expense of unemployment. Growth, set to be 7.2 per cent this year, will be reined to 4.5 per cent. Next year's consolidated budget will be TL 35.5 trillion (million million), but investment allocations will make up only 15 per cent of the total. Retail price inflation is expected to come down to 60 per cent by year's end.

A much vaunted "savings communique" from Mr Ozal last Tuesday brought down sharply with-out rapidly decelerating the growth rate - with drastic social consequences.

Jim Bodgener reports on the dilemma confronting Turkey's Prime Minister

throughout 1988 to use its parliamentary majority to take full advantage of opportunities to narrow the budget deficit.

The Government introduced an emergency package in early February to cope with the overheating caused by general election economics in 1987. Deep public spending cuts have been implemented in theory, particularly in new capital investment in infrastructure.

opposition into a vote of confidence in the Government. However, rifts have also surfaced within the SHP following the election. Its left wing has charged its pragmatic secretary-general, Mr Deniz Baykal, with turning the referendum to personal account in readiness for an attempt to dislodge the SHP's amiable academic leader, Professor Erdal Inonu.

The inflation rate in the 12 months to the end of September rose to 81.8 per cent, fuelled by a budget deficit which increased 163 per cent in the first eight months of the year to total TL 1,711bn (S\$17m).

Mr Turgut Ozal, the Prime Minister, although receiving a face-saving 35 per cent share of the vote, now finds his government on the horns of a dilemma.

Yet some officials of Turkey's Western mentors like the World Bank and the IMF still want to see more concrete evidence of the political will to carry through painful economic measures. Their view is that the Government has failed

day ordered all government departments to buy only bare essentials, and forgo unnecessary cocktail parties. More significantly, municipalities were directed to obtain government approval for major spending.

Criticism is growing nevertheless that the Government has failed to tighten up on taxation and raise revenues, and has not leant hard enough on ministries and local government to stop work - as they have contractors' payments - on all but the most essential and

nearly complete projects. The business and financial community, too, are clamouring for remedial action to alleviate borrowing costs of up to 120 per cent annually.

Grumbling continues within the ANAP about Mr Ozal's miscalculation in allowing himself to be lured into the referendum by Mr Suleyman Demirel, the former Prime Minister and leader of the third largest parliamentary grouping, the True Path Party (TPP).

The Government's one continuing economic success story is the narrowing of the current account deficit by 61 per cent to \$322m in the first eight months of the year compared with the same period in 1987. Nevertheless, economists wonder how long the balance of payments can be insulated from the economy's domestic deterioration.

DAEWOO advertisement featuring a jet fighter and the slogan 'WHO HAS THEIR FEET ON THE GROUND AND THEIR HEAD IN THE CLOUDS? DAEWOO THAT'S WHO!'



AMERICAN NEWS

Chile opposition rejects claims of Pinochet victory

By Barbara Durr in Santiago

THE Chilean opposition has reacted angrily to government attempts to present Gen Augusto Pinochet's defeat in last week's plebiscite as a triumph, and to his refusal to bring forward his departure from office.

Mr Juan Hamilton of the Christian Democratic Party, the largest opposition force, said Mr Fernandez's statements contradicted reality and the plebiscite's results not only meant the end of Gen Pinochet's Government but an end to the perpetuation of the regime.

Ill wind brings good tidings for Seaga

By Canute James in Kingston

HURRICANE Gilbert, which battered Jamaica a month ago, has brought Edward Seaga, the Prime Minister, a political windfall. According to the results of public opinion polls published at the weekend, the Prime Minister's conservative Jamaica Labour Party has made a significant improvement in popular support since the hurricane struck, and now has an even chance of winning the impending general election.

Mr Seaga said the Jamaican economy, which grew by 5.5 per cent last year and was expanding at a similar rate when the hurricane hit the island, was on "strong footing" despite the devastation.

Changing loyalties in Michigan

Stewart Fleming reports on the swing vote in the Midwest

JUST to the north of the urban ruin marked on a national map under the name Detroit is Macomb County, one of half a dozen battlegrounds which party officials single out as critical to the outcome of this year's presidential election in Michigan.

Macomb County has been attracting plenty of top level attention. It was here that Governor Michael Dukakis came last month, donning an oversized helmet to drive around before the television cameras in a tank.

President Reagan was in Macomb County on Friday hoping that some of his popularity would rub off on Vice-President George Bush. And Senator Dan Quayle, Mr Bush's Republican running mate, was there yesterday.



US CAMPAIGN '88

Both presidential campaigns are finding that the remarkable transition in the political character of such blue-collar suburban districts during the past 24 years is not over.

Traditional loyalties to the Democratic Party, including those of powerful trades unions such as the United Auto Workers, which helped Senator John F. Kennedy carry 88 per cent of the vote of Macomb County in the 1960 presidential election, have been breaking down.

They both have people who tell them what to do. The whole political system makes me mad, she adds, explaining that the system seems designed to protect the candidates and prevent her from getting the information she needs to make up her own mind about them.

US bank failures 'will set record in 1988'

By Anatole Kaletsky in New York

US BANK failures will hit a record in 1988, depleting the reserves of the Federal Deposit Insurance Corporation by \$2bn to \$3bn, Mr William Seidman, the FDIC's chairman said yesterday.

Despite the high rate of bank failures, which compares with the previous record of 208 institutions which collapsed or received federal assistance last year, Mr Seidman noted that the FDIC continued to enjoy a strong capital position.

US BANK failures will hit a record in 1988, depleting the reserves of the Federal Deposit Insurance Corporation by \$2bn to \$3bn, Mr William Seidman, the FDIC's chairman said yesterday.

US BANK failures will hit a record in 1988, depleting the reserves of the Federal Deposit Insurance Corporation by \$2bn to \$3bn, Mr William Seidman, the FDIC's chairman said yesterday.

Nicaraguan army fears Contras will resume fighting

AN imminent resurgence of the war in Nicaragua and a breakdown of the six-month ceasefire is now considered a serious possibility by senior Nicaraguan army officers, *The Times* writes from Managua.

Colonel Manuel Salvatierra, chief of the sixth military region in Nicaragua, one of the two main war zones in the country, said at the weekend that the US-backed Contra forces had begun regrouping in the past week and that big units were infiltrating once again from Honduras.

It is probable that this will lead to larger military operations than we have had up until now, he said.

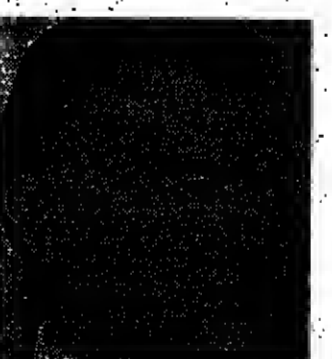
Government has backtracked on the ceasefire agreement or the Esquipulas II peace accord.

Looking back in benevolence

Robert Graham talks to outgoing Mexican President de la Madrid

A DISTINCT end-of-term air pervades the presidential offices in Mexico City. President Miguel de la Madrid hands over to his chosen successor, Mr Carlos Salinas de Gortari, in six weeks and both the focus of attention and the initiative has shifted to the new presidential team.

President de la Madrid readily accepts the negative side of the debt crisis - "a drop in living standards, real wages and in the levels of both private and public sector investment". However, he believes the economic measures, above all the economic solidarity pact of last December, have laid the groundwork for a return "in time" to 4 per cent growth.



President de la Madrid: 'national renovation'

He also rejects the view that the widespread, and continued, fraud allegations undermine the legitimacy of Mr Salinas. "I think he has credibility from the majority, and Mexico will demonstrate that it continues to be a stable country capable of ensuring a peaceful transfer of power."

President de la Madrid does not believe that the changing political climate throws his successor into the clutches of old party bosses of the PRI.

MEKKICO'S MONTHLY rate of inflation dropped to its lowest monthly rate since June 1978 last month, when the Consumer Price Index rose only 0.8 per cent over the August level.



American Airlines Something special in the air.

For reservations and information on our daily flights from the UK, France, Germany, Spain and Switzerland to the USA, and connections to our network of over 200 North American cities (some served by American Eagle, our regional airline associate), contact your travel agent or nearest American Airlines office.

Mexico on target to cut inflation rate to 50%

By Richard Johns in Mexico City

MEKKICO'S MONTHLY rate of inflation dropped to its lowest monthly rate since June 1978 last month, when the Consumer Price Index rose only 0.8 per cent over the August level.

When the austerity plan was renewed in August, the private sector undertook to reduce prices by at least 5 per cent. From the start of its implementation in January, the prices of public sector goods and services were frozen. Last week, the leadership of the Congress of Labour proposed to President-elect Carlos Salinas de Gortari that the pact should be extended during his first months in office. He is reported to have approved in principle.

IT'S LONELY AT THE TOP YOU'D BETTER HAVE SOMETHING TO READ. Subscribe to The Wall Street Journal/Europe. Ring: London (01) 522 0044. Frankfurt (069) 74 09 16

GET YOUR BOARDING PASSES 30 DAYS BEFORE YOU LEAVE HOME.

AND EVEN CHOOSE YOUR SEAT 11 MONTHS IN ADVANCE.



OVERSEAS NEWS

# Indonesia racked by legacy of a long-dead leader

A biography of Sukarno has fuelled debate over his continued influence, says John Murray Brown

INDONESIANS often seem baffled by their own history, and no figure is more baffling than Gen Sukarno, the nation's first president who fought for and won independence from the Dutch in 1945 and then pitched the country into political and economic chaos.

A new biography of Gen Sukarno, who in effect ruled the country for two decades from 1945, has helped revive the controversy and provide a contrast with the present.

The debate has also focused, perhaps inevitably, on the achievements of the only leader most Indonesians have known: his successor, 67 year old President Suharto. The book, *He Who Sows the Wind Reaps the Tempest*, describes Indonesia's founding father as a communist and alleges that he was intimately involved in the failed left-wing coup of 1965 which was to lead to his downfall.

The Government has not endorsed the work, although some cabinet members have appeared to sanction its claims. Journalists, many of whom were imprisoned during the Sukarno years, have more commendably, condemned the book almost to a man. The author, a former intelligence officer, said merely that he was trying to stem Sukarno's rising popularity.

Sukarnoism is a phenomenon that President Suharto's New Order regime has had to live with ever since seizing power after the abortive communist party's Communist Party was wiped out in a bloody purge in which as many as 500,000 were killed.

But Gen Suharto learned early on to use kid gloves to handle his populist predecessor. He carefully engineered Sukarno's removal from office in 1967, using every legal means available. He then bowed to public pressure, granting him a state funeral on his death three years later.

Sukarno's ideas have been less well received. His writings after 1969 are banned. School textbooks which dwell at length on the independence struggle make no mention of Marxism, Sukarno's quasi-Marxist agrarian philosophy.

Earlier this year the Government banned a small youth group devoted specifically to the study of Marxism.

If Sukarno's appeal today seems undiminished, it has little to do with his peculiar brand of socialism. At elections last year thousands of young Indonesians brandished posters of the former leader unmistakable in his Ray Ban sunglasses and the familiar black Fed. More than anything they were representing the frustrations of an emerging middle class tired of the bland politics of the Suharto regime.

"The country used to be ruled by leaders. Today many people feel it should be ruled by servants," says a prominent playwright, reflecting popular disenchantment with Suharto's team of retired military and technocrats, for whom economic performance is the only platform.

Indonesians are sensitive to the fact their country is still little known in the outside world. It was a particular blow when in September Indonesia failed to win support for its candidacy as head of the Non Aligned Movement - an organisation which Sukarno helped to found.

The contrast in styles could hardly be more pronounced. Sukarno was an internationalist, a stirring orator whose way with words was matched only by his notorious way with women. But Sukarno's Indonesia was also one of food shortages and triple digit inflation where the leader's fiery nationalism bred regional division, military factionalism, and led to the ill-fated confrontation with the newly independent Malaysia.

Paradoxically President Suharto, the smiling General, enjoys the sort of unchallenged authority that Sukarno always aspired to but never attained. He has countenanced little opposition, skilfully playing on the rivalry between the court and the military which are still Indonesia's main sources of power. The press remains stifled. The judiciary is Government-controlled. The Islamic threat in what is nominally the world's largest Moslem country, has been firmly dealt with. During the New Order Indonesians have attained a standard of living never known under Sukarno.

The current rub is that the economy has been badly hit by the fall in the price of oil, the main source of Government revenues and foreign exchange. Rice self-sufficiency, one of President Suharto's proudest achievements looks unsustainable as the country's 178m population continues to grow 2.2 per cent every year. More worryingly, the middle class which has benefited most, is starting to question the social costs of development. Newspapers are today full of stories about industrial pollution and the problems of traditional land rights in a modern setting.

The leadership issue is perhaps giving Indonesians more to think about. The military, hitherto the main source of trained personnel, may not be as willing to keep hold of the reins of power. Officials ask whether the present controlled political system is able to throw up civilian leaders to take their place.

There is growing criticism of the so-called P4 course - a spoon-feeding of the state ideology Pancasila, obligatory for everyone from top civil servants to theatre directors. Gen Benny Murdani, the Defence Minister, caused a stir recently when he suggested the establishment of a special school to groom the nation's best and brightest. Many Indonesians probably feel the country is already elitist enough.



President Suharto (left) has learned to handle populist Sukarno's reputation with kid gloves



non that President Suharto's New Order regime has had to live with ever since seizing power after the abortive communist party's Communist Party was wiped out in a bloody purge in which as many as 500,000 were killed.

But Gen Suharto learned early on to use kid gloves to handle his populist predecessor. He carefully engineered Sukarno's removal from office in 1967, using every legal means available. He then bowed to public pressure, granting him a state funeral on his death three years later.

Sukarno's ideas have been

less well received. His writings after 1969 are banned. School textbooks which dwell at length on the independence struggle make no mention of Marxism, Sukarno's quasi-Marxist agrarian philosophy.

Earlier this year the Government banned a small youth group devoted specifically to the study of Marxism.

If Sukarno's appeal today seems undiminished, it has little to do with his peculiar brand of socialism. At elections last year thousands of young Indonesians brandished posters of the former leader unmistakable in his Ray

Ban sunglasses and the familiar black Fed. More than anything they were representing the frustrations of an emerging middle class tired of the bland politics of the Suharto regime.

"The country used to be ruled by leaders. Today many people feel it should be ruled by servants," says a prominent playwright, reflecting popular disenchantment with Suharto's team of retired military and technocrats, for whom economic performance is the only platform.

Indonesians are sensitive to the fact their country is still little known in the outside

world. It was a particular blow when in September Indonesia failed to win support for its candidacy as head of the Non Aligned Movement - an organisation which Sukarno helped to found.

The contrast in styles could hardly be more pronounced. Sukarno was an internationalist, a stirring orator whose way with words was matched only by his notorious way with women. But Sukarno's Indonesia was also one of food shortages and triple digit inflation where the leader's fiery nationalism bred regional division, military factionalism, and led to the ill-fated confrontation with the newly independent Malaysia.

Paradoxically President Suharto, the smiling General, enjoys the sort of unchallenged authority that Sukarno always aspired to but never attained. He has countenanced little opposition, skilfully playing on the rivalry between the court and the military which are still Indonesia's main sources of power. The press remains stifled. The judiciary is Government-controlled. The Islamic threat in what is nominally the world's largest Moslem country, has been firmly dealt with. During the New Order Indonesians have attained a standard of living never known under Sukarno.

The current rub is that the economy has been badly hit by

the fall in the price of oil, the main source of Government revenues and foreign exchange. Rice self-sufficiency, one of President Suharto's proudest achievements looks unsustainable as the country's 178m population continues to grow 2.2 per cent every year. More worryingly, the middle class which has benefited most, is starting to question the social costs of development. Newspapers are today full of stories about industrial pollution and the problems of traditional land rights in a modern setting.

The leadership issue is perhaps giving Indonesians more to think about. The military, hitherto the main source of trained personnel, may not be as willing to keep hold of the reins of power. Officials ask whether the present controlled political system is able to throw up civilian leaders to take their place.

There is growing criticism of the so-called P4 course - a spoon-feeding of the state ideology Pancasila, obligatory for everyone from top civil servants to theatre directors. Gen Benny Murdani, the Defence Minister, caused a stir recently when he suggested the establishment of a special school to groom the nation's best and brightest. Many Indonesians probably feel the country is already elitist enough.

## Oil and Gas Technology Projects

### European Community Funding

Funds are available from the Commission of the European Community for projects which promote new technology in exploration, production, transport or storage of oil and gas. The monies become repayable on commercial exploitation and may cover up to 40% of the total cost. Interest is payable only on amounts outstanding after commercial exploitation.

The closing date for the next round of the Scheme is 16th January 1989.

The Offshore Supplies Office, OSO and the European Commission have organised a seminar at 2pm on Monday 7th November at the London offices of the European Commission, 8 Storey's Gate, London SW1P 3AT.

The Commission will describe their scheme and OSO will explain their role. Places at the seminar will be limited and will be allocated on a first come first served basis.

To reserve a place at the seminar and obtain a free booklet designed to help British companies seeking funds under the scheme entitled *Technological Developments in the Hydrocarbons Sector*, simply post the coupon; or telephone Miss J. Park of the Offshore Supplies Office on 041-221 8777 ext 488.

Please reserve me a place at the 7th November 1988 Seminar.

Please send me the free booklet about funds available under the scheme entitled *Technological Developments in the Hydrocarbons Sector*.

Name \_\_\_\_\_  
 Company \_\_\_\_\_  
 Address \_\_\_\_\_

Post to: Miss J. Park  
 Offshore Supplies Office,  
 Alhambra House, 45 Waterloo  
 Street, Glasgow G2 6AS.



## Kaunda visits Zaire for peace talks

PRESIDENT Kenneth Kaunda of Zambia arrived in Zaire yesterday to discuss prospects for peace in southern Africa with President Mobutu Sese Seko. The Zairean leader was expected to brief Mr Kaunda, the chairman of the front-line states on his talks last week with South African President FW Botha, our Foreign Staff

writes. Mr Kaunda turned up in the southern Zairean centre of Lubumbashi as the Zimbabwe Foreign Ministry announced that tomorrow's summit of front-line states in Botswana had been cancelled.

The cancellation appears to underline a split among the southern African states on how

to respond to Mr Botha's recent diplomatic overtures in the region with Zimbabwe rejecting any idea of a meeting with the South African leader and Zambia willing to welcome him under certain conditions.

Yesterday's moves came amid optimism that progress has been made in talks on independence for Namibia.

## Burmese troops clash with guerrillas

BURMESE government troops fought against some 1,000 ethnic minority guerrillas attacking their frontier units yesterday, the government said, AP reports from Rangoon.

The battle came two weeks after communist Karen guerrillas raided perimeter outposts then sent reinforcements to attack troops at Methawaw on

the western bank of the Moei River that separates Thailand and Burma, it said.

More than 150 shells fired from the Thai side of the river, crashed into Methawaw on Sunday, it said. Shells fired by the guerrillas inside Burma also struck Thai territory, he said.

The area is about 210km

north east of Rangoon. The Government gave no casualty figures and said that the fighting continued yesterday "in the second biggest engagement" since September 80 when government forces drove back some 2,000 guerrillas of the Burma Communist Party from Mong Yang in the east.

# CLWYD

The success of the County of Clwyd, in rebuilding its economic base, is fast becoming legendary. An amazing transformation has taken place during the 1980's, with Clwyd clearly emerging as one of the prime U.K. locations for company investment and expansion.

In the last six years new companies have located in Clwyd from all over the U.K. and overseas. Many have undertaken further expansion projects and are continuing to prosper in their new location.

To find out more about Clwyd and the considerable benefits it can offer your company as a new location, clip the coupon or contact the Clwyd Industry Team, Clwyd County Council, Sfire Hall, Mold, Clwyd CH7 8NB. Tel: 0352-2121. Fax: 0352-58240.

Name: \_\_\_\_\_ Title: \_\_\_\_\_  
 Company: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Tel: \_\_\_\_\_

SEND FOR THE CLWYD FACT PACK

**Clwyd** A BETTER BUSINESS DECISION  
 THE COUNTRY OF  
**Clwyd** WALES

## THE WAY YOU SEE EUROPE DEPENDS ON WHO YOU ARE.

From the outside, Europe can be seen simply as an emerging political entity (see fig. 1). But as most businessmen know, on the inside it's a vibrant economic community packed with places generating a lot of business (see fig. 2). So if you fly for business we think you should fly with people who fly for the businessman: Air France. With 94 destinations in Europe alone we not only regularly go where everybody else does, but also to places nobody gives a second thought to, until they have to go there. In fact, we fly to more cities in Europe than any other airline. And if that isn't enough incentive for you to fly with us, fly with us for our service. You'll find that it also rates a few stars.

FIG. 1

FIG. 2

# THE FINE ART OF FLYING

## AIR FRANCE

### INDIA

The Financial Times proposes to publish a Survey on the above on 26th December 1988

For a full editorial synopsis and advertisement details, please contact:

High Satton  
 on 01-249-8000 ext 3238  
 or write to him at:  
 Bracken House, 10 Cannon Street  
 London EC4P 4BY.

**FINANCIAL TIMES**  
 EUROPE'S BUSINESS NEWSPAPER

in 1988  
 ne fighting  
 get to 50%  
 THE TOP HAVE TO READ



OVERSEAS NEWS

Peking orders cut in industrial investment

CHINA'S main policy-making body has ordered a reduction of investment in industries ranging from textile processing to consumer electronics and plastics, AP-DJ reports from Hong Kong.

A senior Chinese security official has left on a 12-day tour of East Germany and Poland to discuss problems thrown up by free-market reforms, east European officials said.

would exchange notes with his hosts on issues created by free-market economic reforms in China and Eastern Europe, the officials said.

involved are cotton textiles, leather and rubber goods, tractors and television sets. Projects making goods that consume too much energy, such as rice cookers, vacuum cleaners and fridges.

Sri Lankan law and order deteriorates sharply

By Mervyn De Silva in Colombo

On Sunday night suspected Tamil separatist guerrillas shot and hacked to death 45 people, including children, in a raid on a Sinhalese village in northern Sri Lanka.

About 25 men, suspected of belonging to the Liberation Tigers of Tamil Eelam, took part in the sweep on the village of Mahakongskade in the north-central province.

The Government threatened that private bus operators would have their vehicles and route licences confiscated if they fail to maintain normal schedules.

The Government's tough action is in response to the latest haral called by the Patriotic Armed Forces, the military wing of the Marxist Sinhalese JVP which has been conducting a campaign of terror against the ruling UNP party and its allies since President Junius Jayawardene signed a peace accord in July 1987 with Mr Rajiv Gandhi, the Indian Prime Minister.

Betrayal

The JVP denounces the pact as a betrayal of majority Sinhalese interests to Tamil separatists and a surrender of Sri Lanka's sovereignty.

The present haral is a protest against elections to the Council of the new "merged" region comprising the Tamil northern province and the ethnically mixed eastern province.

On Sunday, President Jayawardene defended the "accord" with Mr Gandhi, the establishment of provincial councils and the one-year experimental merger of the north and east as a reasonable compromise that could save Sri Lanka's unity and territorial integrity.

In the north - the Tamil Tigers, the main rebel group demanding an autonomous state for the minority Tamils - is boycotting the polls.

In the neighbouring south Indian state of Tamil Nadu, which has been put under presidential rule by Mr Gandhi, "Kittu", a Tamil Tiger leader, threatened to fast to death if the peace-keeping forces did not announce an immediate ceasefire and re-open negotiations with the Tigers.

President Jayawardene's assurance that the provincial merger is temporary has also not calmed the majority Sinhalese. Mrs Sirimavo Bandaranaike, the main opposition candidate in December's presidential election, has said that she will "abrogate" the accord with India, order the Indian troops to withdraw and abolish the provincial councils.

"President Jayawardene did not consult parliament or the people before signing the pact. It is bitterly opposed by the Sinhalese and has been rejected by the Tigers. I shall negotiate directly with all the Tamil parties, without involving another country in our domestic problems," said Mrs Bandaranaike who is supported by eight parties including the JVP, although the latter has not yet carried out its electoral pact to stop violence in the south.

Two districts in the deep south have been placed under 24-hour curfew after mobs attacked several police stations.

Australian sets the airwaves humming

Chris Sherwell reports on an entrepreneur who has made a success of rock and radio

BACK in the swinging Sixties, English rock music set the world alight with the help of pirate radio. Something similar is happening in Australia in the 1980s - and Glenn Wheatley is one of the key men behind it.

Mr Wheatley heads a public company operating a chain of FM radio stations in four of Australia's state capitals. He is also manager of John Farnham, the country's most popular rock star, and other artists.

His success coincides with the enormous attention which Australian pop music like so much else from the country in its biennial year, is attracting abroad through groups like INXS, Crowded House, Midnight Oil and Icehouse, and individuals like Farnham or Kylie Minogue.

So lucrative has this business become in the 1980s that even the Government, through its trade promotion arm AusTrade, has set up two companies, Export Music Australia to promote the country's rock exports, and the Australian Contemporary Music Development Company to help the industry domestically.

Australians have long found various niches of the international rock world. Latterly, however, their prominence, individuality and earnings have taken on new dimensions. Some of the reasons are straightforward: talent, for one, and hard experience.

But there are others. Good management has become essential. So has effective promotion - preferably through radio. It is Mr Wheatley's familiarity with both facets of this complex business that has allowed him to make his mark.

A multimillionaire at 40, he tries to straddle the line between rock and business by wearing collar and tie with blue jeans. Ask him what makes the present batch of Australian rock and pop stars different and he replies with one word: professionalism.

Take Farnham, who was made Australian of the Year this year on the back of his unexpectedly successful comeback as a rock singer and his enormous personal popularity.

Nothing about this star's recent career has been left to chance. Mr Wheatley has ensured that the music itself, and the way it (and Farnham) are packaged and promoted, have been carefully researched, planned and executed.

Mr Wheatley takes the same approach to radio as he does to rock. His experience as a rock band manager taught him that FM radio represented a good business opportunity, and he set up the first station, 3EON-FM in Melbourne, in 1980.

Eight years later he is overlaid a stable of another six stations which attract a large proportion of under-35 listeners.

year by Yuan Shun (25bn). Such a reduction would amount to about 12 per cent of the estimated total of Yuan 400bn for this year.

This is the first drastic measure announced since the Communist Party Central Committee decided last month to slow economic growth and dampen the inflation rate, which is running at 20 per cent officially.

Projects covering more than 100 types of products will be used. They fall into several broad categories.

Projects producing goods made from raw materials that are chronically in short supply. This is the broadest category and also includes industries whose existing capacity is deemed excessive by central planners. Among the products

involved are cotton textiles, leather and rubber goods, tractors and television sets.

Projects making goods that consume too much energy, such as rice cookers, vacuum cleaners and fridges.

Projects that fall outside the state plan and that Peking regards as overlapping investments. Singled out are projects in such strategic industries as semiconductor, cathode-ray tubes and cars.

Certain infrastructure schemes, such as highways and smaller ports.

Exceptions to the order fall into five priority areas: energy, transport, telecommunications, some raw materials, and agricultural products. Projects involving foreign investment and high technology will also be spared.

TSB says yes to Gwent

In September, TSB Trust Company opened their new operation in Gwent. "Moving our General Insurance Services Division to Newport was not only a sound business decision, but a good investment for the future," says James Bradford, Divisional Manager.



GWENT BETTER CONNECTED.

Taiwan set to produce jet fighter

TAIWAN plans to finish a prototype of its first locally developed jet fighter by the end of the year, the Defence Ministry announced Sunday, AP writes from Taipei.

The ministry said the military-run Chungshan Science Institute has completed a small-scale production of the fighter next year. Development of the fighter began in 1983 after Taiwan had expected difficulty buying weapons from abroad.

The statement did not say whether the aircraft was being built with US assistance. The Star-Taipei newspaper, Fort Worth, Texas, reported in May that General Dynamics Corporation had been helping Taiwan develop a jet fighter for the past three years.

Singapore eases magazine ban

Singapore said yesterday that from Saturday it would allow sales of up to 5,000 copies per issue of the magazine Asiaweek. Renter writes. Singapore cut sales of the Hong Kong-based magazine 12 months ago from 5,000 to 500 copies a week, saying it was interfering in local politics.

Rainbow Warrior plot alleged

A two-part television series on the 1985 sinking of Greenpeace's ship claims that British and US intelligence services knew of a French plot before the Rainbow Warrior was scuttled in New Zealand, AP reports from Sydney. "The Rainbow Warrior Conspiracy" had its world premiere on Sunday and ended yesterday.

It suggested the CIA and MI-6 knew about the scheme but withheld the intelligence from New Zealand because the Labour Government had enacted legislation banning visits by warships capable of carrying nuclear weapons.

Mr Bob Loader, producer of Golden Dolphin Productions, said yesterday: "We think the Americans and the British were annoyed at New Zealand's anti-nuclear stand and this was a way of slapping New Zealand on the bottom."

THE FINANCIAL TIMES PROUDLY PRESENTS... THE CALENDAR OF THE YEAR

Since our first diary was launched in 1973, the FT has acquired an enviable reputation within the international business community for designing high quality products which enhance efficiency whilst, at the same time, reflecting discernment and good taste.

Now, for the first time, we have applied this same philosophy in the creation of a wall calendar, designed to take its place proudly in any executive office.

A NEW CONCEPT IN WALL CALENDARS As you would expect, the FT calendar is much more than an ordinary calendar. Conceived specifically with the international businessman in mind, it is a superbly designed fact and figures pack containing essential information on thirteen of the World's major financial centres - an absolute must for the business traveller.

As a calendar alone it would more than justify its price. With these results to view on every page, clearly displayed in easy-to-read type, you'll find the FT Calendar a delight to use. What's more, the 1989 FT Calendar starts in December 1988 - providing continuity over the difficult New Year period and has a unique thirteen month life.

THE CONTENT THAT MAKES IT MORE THAN A CALENDAR Every month of the calendar is devoted to a different financial centre - Stockholm, London, Zurich, Tokyo, Frankfurt, New York, Milan, Hong Kong, Paris, Amsterdam, Chicago, Madrid and Sydney. Information provided on each city includes:

- International Time Zones
The time of day for each of the other twelve financial centres is shown relative to 12 noon in the featured city of the month.
Currency
The currency of each city is described together with the name, address and telephone number of the country's Central Bank.
Climate
Average high and low temperatures together with general descriptions.
Stock Exchange
A brief history of the city's Stock Exchange, together with opening times, trading information, address and telephone number.
Business Hours
Company opening and closing hours of offices, shops and banks.
National Holidays
Who are they and where they fly to - addresses and telephone numbers, together with full details of the city's airport.
Shopping
What to look for and where to buy.

THE IDEAL BUSINESS GIFT There is little doubt that the new FT Calendar will be this year's most sought-after business gift. To make it even more effective as a daily reminder you may wish to include your company name and logo on a specially extended backboard. In fact, we can print your company's information over the entire lower surface of the backboard - ideal, for example, for listing overseas offices and agents.

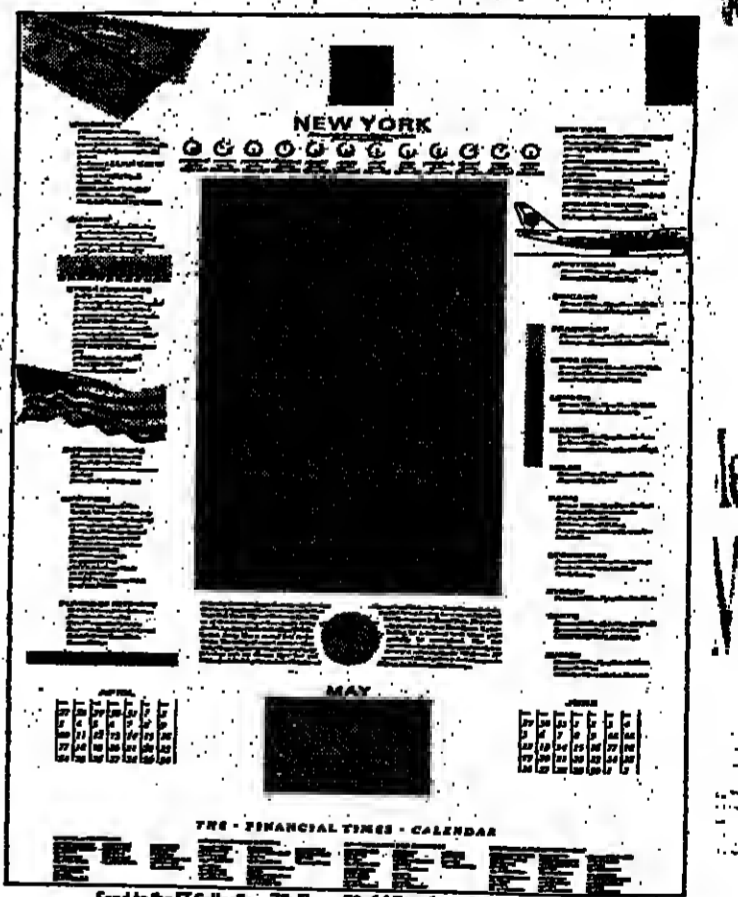
LIMITED EDITION - SO PLACE YOUR ORDER NOW! Only 5000 FT Calendars are scheduled for production for 1989 so demand is sure to exceed supply. Early ordering will secure a copy for you - or as gifts for your valued clients. Please use the order form - fast reply!

THE FT COLLECTION - A TRADITION OF EXCELLENCE The Financial Times Calendar is just one item in the new FT Collection. Others include the famous FT Diaries, the FT Factfinder personal time and task management system, and a new range of superbly crafted business cards.

Discounts of up to 25% on bulk orders - providing you order well in advance. To qualify, you must order 25 or more diary or calendar products. However, we do appreciate that it may be difficult to complete your final gift list early in the year. That's why we offer to reserve FT gifts for you without obligation or commitment. Contact us now on 01-799 2274.

Let the FT produce a special gift for you. Why not use our experience and knowledge to produce a specially commissioned gift of your choice? We'd welcome the opportunity of discussing any ideas you may have.

FT Business Information Ltd, Registered Office, Bracken House, 10 Cannon Street, London EC4A 3DF.



ORDER FORM section with fields for name, address, phone, and a table of prices for different quantities.



OVERSEAS NEWS



Eyes right: cadets from a college of political warfare march past Taiwan's presidential palace yesterday during a military parade marking the 70th anniversary of China's nationalist revolution.

### Gazan fruit-growers granted licence to export to EC states

By Andrew Whitley in Jerusalem

ISRAEL has granted its first licence to Gazan fruit growers to export their produce to the European Community, apparently ending a prolonged dispute with Brussels extending over two years. The resolution of the dispute comes on the eve of tomorrow's scheduled debate in the European Parliament on the ratification of a package of bilateral trade accords with Israel.

Twice delayed earlier this year by Strasbourg, in protest at Israel's policies in the occupied territories, any further postponement could create a serious rift between Brussels and Tel Aviv. At the start of their export season, Israeli farmers are anxious to gain the lower tariffs available under the pending treaty.

The licence granted this

week by the Israeli Agriculture Ministry and the Civil Administration for the occupied territories to a group of Gazan exporters covers a consignment of 3,300 tonnes of grapefruit ordered by purchasers across the Community. First shipments are expected to arrive in the UK in early December bearing the new label "Gaza Top".

To overcome the tricky problem of defining the country of origin of the produce, the cartons will simply say "Produce of Gaza". Stateless themselves, the growers had attempted to stick out for the marginally more political wording "Gaza Strip", but this was overruled by the Israeli authorities.

According to Mr Mario Overloef, the Dutch marketing expert who has been mak-

ing the arrangements in Gaza and Tel Aviv, a second consignment of 150,000 tonnes of shaddock, or navel oranges is planned for export to Western Europe in December. In February, provided a licence is granted, the Gazans hope to export up to 700,000 tonnes of their main product, the Valencia orange.

Ironically, one potential pitfall in the way of the scheme's success is competition from Israeli juice manufacturers for this year's poor citrus crop.

Amid suggestions that prices are being artificially inflated - to demonstrate to the European Community that its support for Palestinian farmers is more political than economic - the juice makers are said to be offering Gazan orange growers double last year's price for their fruit.

### Islamic ministers tackle media image

ISLAMIC information ministers open their first conference in Jeddah today in a bid to improve what some consider the unfair image of Moslem countries in the world media. Reuters reports from Jeddah.

The official Saudi Press Agency (SPA) said in an editorial that through training and cooperation, "Moslems will

gradually liberate themselves from dependence on non-Moslems in the field of information."

Delegates from the 46-member Islamic Conference Organisation (ICO) should "contribute to confronting the activities of Christian missionaries."

They should put an end "to the invasion of foreign ideas which hamper Islamic informa-

tion," it said. Another important element would be to confront hostile information.

Saudi Interior Minister Prince Nayef Ibn Abdulaziz said the mass media had a role in maintaining security.

The prince, on a visit to Turkey, told SPA "security does not merely depend on security organs but also on religious and social structures."

## Israeli giant at risk over \$20m bank claim

Andrew Whitley reports on Bankers Trust move to wind up Koor Industries

Imagine a move in the British courts by a US bank to force the compulsory simultaneous winding up of British Steel, British Aerospace and GEC. Take into account the fact that crucial national elections are due in three weeks' time, and the three mega-companies at risk are owned by the Trades Union Congress.

Put into an Israeli context, that is the significance of Sunday's application by Bankers Trust to liquidate Koor Industries.

Far and away Israel's largest company, Koor alone is responsible for 12 per cent of industrial output. Its 30,000-strong workforce makes up 11 per cent of industrial employment. Hevrat Ha'Ovdim, the group's owner, is the economic holding arm of the trades union movement and is thus closely related to the Labour Alignment party. With the election race between the two main blocs running so close, thousands of redundancies at Koor could be enough to swing one or two vital seats in the November 1 poll.

Avalanches which sweep away whole hillside, crushing entire villages in their way, usually begin as pebbles rolling downhill. The five unsecured loans which Bankers Trust Company of New York extended to Koor USA Incorporated, on which its Israeli parent defaulted last week, were just that - pebbles.

Ranging in size between \$1m and \$7m, the total of maturing debt barely reached \$20m, a fraction of the \$163m which the US bank is believed to have outstanding to the Koor group; and an even smaller percentage of the borrower's gross debt of nearly \$1m. But, by the end of last week, Bankers Trust had had enough.

Months of negotiation with Koor's new management - installed after record 1987 losses of more than \$250m - over additional securities for its loans seemed to be leading nowhere. Concern was growing that a new package of credits for Koor being put together by a consortium of Israeli banks might put foreign creditors of the troubled group at a disadvantage.

On Sunday, Bankers Trust therefore took the extraordinary step of seeking a court order in Tel Aviv to force the winding-up of the Koor group. A statement issued through

the bank's Israeli lawyers said the move was in the best interests of everyone concerned: Koor Industries, its creditors and Israel. One passage in the statement went to the heart of the issue, reflecting the deep, underlying antagonisms which have developed during this year between Israel's largest company and its most important foreign creditor: "The current management of the company... has lost the confidence of Bankers Trust Company to manage the company to bring it back to profitability."

Unlike the Israeli's other creditors, all of which have, until now, rolled over maturing loans and extended existing credit lines in support of Koor's recovery programme, the blue-blooded New York bank wanted its money back. For its part, Koor was desperately anxious to keep all its creditors together. If one broke ranks at this critical time, with an all-important first-half result for the new management coming up on October 17, the avalanche of claims could be catastrophic.

Nerves were already strained at Koor for another, related

reason. Under the terms of a \$105m "junk bond" it had issued in the US in 1986, failure to keep the group's debt/equity ratio under 300 per cent would lead to an automatic early redemption of the debentures.

Over the past six months, Mr Benjamin Gaon, the chief executive officer drafted in by Hevrat Ha'Ovdim, the labour federation holding company, has made reasonable progress in reducing overheads. Several factories have been closed and the payroll slimmed down.

Unfortunately for Mr Gaon - a marketing man dedicated to putting profits before jobs - just as he was getting the corners of his sprawling empire cleaned up, conditions worsened appreciably at Tadiran, the jewel in Koor's crown.

First-half losses at Israel's leading electronics company more than doubled to over \$24m, pushing the red ink for the group as a whole up from an initial forecast of \$5m to nearer \$70m.

Although Koor management had gleaned a few inkblots of what the US bank was contemplating last week, no one could believe it would seriously go through with such a move. As Mr Gaon remarked:

"I cannot imagine that a court will call for the winding up of a company with a \$3bn turnover on the basis of a \$20m claim."

Koor's difficulties are an obvious electoral gift for the Likud party, campaigning against what it calls Labour's "Bolshevik economy". But the ensuing political row if it were to go into receivership would be equally damaging to both halves of the coalition government. Mass redundancies could also have a backlash effect against the Likud: many of the group's employees in development towns are natural Likud voters.

Prodded into action by the government, a \$60m "lifeboat" for Koor was announced on Sunday by the Israeli banks. But if, as is widely feared, other foreign creditors follow Bankers Trust's example, the situation could rapidly worsen.

Substantially more help is thus likely to be needed in the near future if the group is to regain the semblance of an even keel. That help may be on the way, judging by comments made yesterday by Prime Minister Yitzhak Shamir. "Koor is one of the most important companies in the land. It is forbidden to abandon it," he said.

## Army takes harder line against uprising

By Andrew Whitley in Jerusalem

AS THE Palestinian uprising moves into its 11th month, the Israeli Army has taken the offensive, in a calculated bid to raise the cost of continuing daily unrest in the occupied territories.

Over the past three days alone, nine Palestinians have died, and at least 50 have been injured, in the West Bank and Gaza Strip following instructions from Mr Yitzhak Rabin, the Defence Minister, to "shoot to wound" demonstrators. In case any doubt remained, the command was restated by Mr Rabin on Saturday night.

The sharpening conflict - exacerbated by the approaching Israeli general elections - is also being reflected in increased attacks by Palestinians on alleged collaborators. Despite stepped-up protection and the threat of harsh reprisals by the military

authorities, three such deaths were reported at the end of last week.

Spearheading the Israeli offensive are two elite undercover units, one in the West Bank and the other in the Gaza Strip, codenamed "Cherry" and "Simon". In tandem with the Shin Bet secret police, Palestinians say these plain clothes forces have been responsible for many recent arrests.

Usually masquerading as Arabs, the main purpose of these units - whose existence the army does not officially acknowledge - appears to be to gather intelligence and to "snatch" suspected ringleaders. According to Reuters news agency, Israelis in civilian clothes and Arab headresses attacked residents of Dura village, in the West Bank, during a big army sweep on Sunday.

Other instances of operations by Cherry forces have been recorded by journalists in the centre of Nabulus.

The undercover units, employing mostly Sephardi Jews of Middle Eastern origin and appearance, are also charged with combatting changing tactics on the Palestinian side. When, for instance, the incidence of petrol bomb attacks on the security forces and on Jewish settlers' cars suddenly increased, their attention was switched to stamping out this new threat.

Not that these Israeli versions of Lawrence of Arabia, in traditional Palestinian dress, cruising around the streets in confiscated Arab licence-plate cars, always get their men. In one classic mix-up last month, which left red faces all round, an American-born settler, a Vietnam War veteran, whose

car had just missed being the target of a molotov cocktail, shot and wounded two "Palestinians" he saw running away from the scene. Minutes later, he discovered he had hit Israeli soldiers waiting in ambush by mistake.

What has prompted several protests from foreign news organisations - to no avail - is the way in which members of the security forces sometimes pose as journalists as well, to film demonstrators and facilitate arrests.

On official figures, 250 Palestinians have been killed and some 7,000 wounded - many of them crippled for life - since the *Intifada* began last December. Unofficial statistics compiled by foreign news agencies and relief organisations put the number of dead at more than 300.

## Palestinian state to be declared

PALESTINIAN leaders have agreed to recommend the declaration of a Palestinian state and the Palestinian parliament-in-exile will probably make the declaration before the end of the month, a spokesman confirmed yesterday, Our Foreign Staff writes.

Mr Jamil Hilal, director of the Palestine Liberation Organisation information department, said that the leaders, at meetings in Tunis since last Friday, have also decided that formation of a provisional government should wait until later.

The state would be based on a resolution passed by the United Nations Security Council in 1947 - before the birth of the state of Israel - which proposed the division of Palestine into Jewish and Arab states, Mr Hilal said.

**Mannesmann**

**Mechanical engineering electronics**

**Mannesmann's decisive edge**

Harnessing the potential of mechanical engineering and electronics to create intelligent products and complex systems. That's Mannesmann's decisive edge.

Its value to industry is underlined by success after success in tomorrow's key markets: in drive and control technology, process and production automation, in information and communications technology.

Talk hydraulics and materials handling. Pioneering breakthroughs have made Mannesmann the world leader in both fields. Two of the most recent examples: the latest electronically controlled drives that are revolutionising automatic production processes, and highly automated materials flow and storage systems that point the way to the factory of the future.

Mannesmann: the skill and expertise of over 120,000 professionals in over 100 countries around the world.

**Mannesmann technology**

Indramat CNC control systems and drive units in an automobile transfer line



WORLD TRADE NEWS

# Gatt dispute mechanism may be speeded up

By William Dufforce in Geneva

THE MECHANISM for settling trade disputes under the General Agreement on Tariffs and Trade (GATT) is likely to be substantially improved next year following the tabling yesterday by 13 countries of substantive proposals.

The whole process would be speeded up by fixing stricter time limits. These would apply to the bilateral consultations between contending governments which have to precede a GATT investigation, to the establishment of a panel to investigate a complaint, and to the deadline for publication of the report.

Disputants would no longer be able to block adoption of the panel's recommendations by the GATT council. They could either join or abstain from the consensus by which GATT decisions are traditionally reached.

The proposals were submitted to the group negotiating an improvement to dispute settlement under GATT's current Uruguay Round by Canada.

They had been worked out in consultation with Argentina, Australia, Hong Kong, Hungary, New Zealand, the three Nordic countries, South Korea, Switzerland and Uruguay. They recommended that the proposals come into effect on January 1.

None of the three major trading blocs, the European Community, the US and Japan,

immediately responded but they are unlikely to object to the main proposals.

The 13-nation paper could well form the basis for decisions by trade ministers when they meet in Montreal in December to review progress in the Uruguay Round.

GATT's mechanism for resolving trade squabbles has come under fire most frequently in the US Congress.

Under the 13-nation proposals, possibilities for stalling by the country accused would be curbed. The GATT council would have to establish a disputes panel at the meeting immediately following the one at which a complaint had been submitted.

GATT's director-general would appoint the members of the panel, if the parties to the dispute had not agreed on its composition within 20 days.

A single panel could investigate complaints from more than one member, if they are related to the same issue.

As a general rule, a panel should not take more than six months to file its report, the 13 nations suggest. In urgent cases it should report within three months.

The proposal also tightens procedures for monitoring compliance with a GATT report and for countries to claim compensation.

# S Korean electronics exports to rise 20%

By Maggie Ford in Seoul

ELECTRONICS exports from South Korea are expected to show increases of more than 20 per cent over the next year and investment in new production facilities is speeding up.

According to a survey by the Electronics Industries Association, exports of television sets, video-tape recorders, other household appliances, semi-conductors and video-tape reached \$4bn in the first six months of the year.

Exports for the second half are estimated at \$7.2bn, an 18 per cent rise on the same period last year, with a further rise of 21 per cent projected for the first half of next year.

The forecasts follow an announcement by GoldStar, the country's second largest electronics company, that it is planning to invest \$2.3bn in a new semiconductor plant. The first stage of the project is to be completed in 1991 at a cost of \$600m and will manufacture a range of semiconductors including dynamic D-Rams.

Exports of semiconductors from South Korea are expected to reach \$1.3bn in the first half of next year, an increase of 25 per cent over the same period of this year. South Korean companies have benefited from the world shortage of semiconductors following the US-Japan agreement.

Sales at Samsung Semiconductor and Telecommunications, South Korea's largest producer, soared 63 per cent in the first half of this year. The resulting high prices and shortages have affected supplies to domestic producers of computers and other electronic products, however. The three main electronics producers, Samsung, GoldStar and Daewoo are nevertheless expecting turnover to rise by between 25 and 30 per cent next year, mainly through export growth and diversification but also because of the government's plan to stimulate domestic demand.

The companies are increasingly planning to open plants abroad, especially in Europe, to manufacture household appliances such as TV sets and microwave ovens, so as to avoid protectionist threats.

# Lomé countries full of angst over 1992

Tim Dickson on the opening tomorrow of talks aimed at reaching a new convention

TAKE CHOCOLATE, said the Nigerian ambassador pointedly. "Countries like France and Belgium at the moment insist on pure cocoa in their products but what happens to us if the barriers come down and British companies, using only 5 per cent cocoa in their ingredients, subsequently move in and flood the European market place?"

The answer to this rhetorical and still hypothetical question posed in the wings of a recent conference in Madrid expresses one of the major fears of the 66 African, Caribbean, and Pacific (ACP) nations as they prepare for the formal opening in Luxembourg tomorrow of negotiations for a new trade and aid agreement to replace the current (and third) Lomé Convention.

Observers are convinced that the background of Europe's plan for a single market by 1992 - and concern that the EC may become a members' club more impervious to other countries' exports - will be one of the major themes in the forthcoming talks.

Along with the worry that the trade preferences the ACP currently enjoys with the Community could also be eroded by concessions made to other non-EC countries in the Uruguay Round, plus the EC's apparent determination to link its aid more closely to those states making structural adjustments, "1992" seems certain to dominate a diplomatic process

expected to last the best part of 12 to 18 months.

"We are facing probably the most crucial negotiation since we entered this relationship with the EC," Mr Edwin Carrington, ACP Secretary-General, said recently with the informal market programme and the unilateral trade talks firmly in mind.

The Lomé Conventions, successors to the old Arusha and Yaounde agreements which

products (Korean strawberries are among the most widely quoted exceptions). The money comes out of the European Development Fund, and is distinct from the food aid programme for developing countries paid out of the EC's agricultural budget.

At this stage no one is even speculating about the size of a successor to Lomé III. What is clear is that while member-states do not envisage a quantum leap in support, some sort of increase in the amount of aid will be politically inescapable.

Besides compensation for any 1992 and Uruguay Round setbacks, the ACP will be pointing out that despite 25 years of preferential treatment, not one of its members has climbed into the league of newly-industrialising economies and that more emphasis must in future be placed on help with the processing at home of their own raw materials.

The delicacy of some of the issues has been illustrated by the EC's initial inability to agree on a common negotiating mandate for the forthcoming talks. The Community's ambassadors managed to paper over the cracks at a meeting in Brussels late last week - thus avoiding the embarrassment of Foreign Ministers having to hold their own last-minute negotiations tomorrow morning - but the Community's own internal deliberations mirror many of the problems

which will surface when the talks proper get under way. These are:

• **Trade:** The EC has been split on roughly a North/South basis on the extent to which new trade concessions are possible. Most ACP agricultural products for which there are still duties and quotas (such as nuts, dates and figs) compete with the output of Mediterranean farmers - hence the sensitivity of the Italians.

## The EC is likely to focus on structural adjustment

The EC mandate judges this question but given the ACP's eagerness to expand its processing, improvements in the so-called rules of origin are certain to be sought. At the moment, many in the EC accept that the definition of what constitutes an ACP product is fairly tightly drawn and is not always helpful to the establishment of indigenous industries.

• **Aid:** There is general agreement within member-states that the Community's support should be focused more clearly on so-called structural adjustment - that is to say, away from conventional long-term projects and towards the rapid disbursement of aid to help overcome short-term balance of payments difficulties and economic adjustment programmes.

While accepting that some change in this direction is not only inevitable but desirable, the ACP bloc is anxious that extra funds should be made available and conditions on this part of the package should not be imposed. The EC mandate, in line with Britain's wishes, makes no reference to a special facility, but the chances are that other member-states will wish to see this as part of the final agreement.

• **Other:** More specific questions include the future of Stabex - the aid fund which guarantees the agricultural export earnings of ACP countries - which could well be reshaped; the possibility of interest rate subsidies for some of the more indebted ACP nations (though Community competence is a hardy); whether to combine the separate Portuguese sugar quota with the 1.2m tonnes of sugar which the EC currently guarantees to buy at European prices; and the geographical coverage of a future Convention.

The sensitive issue of whether or not the Dominica Republic and Haiti should be included has been left open, with Spain still enthusiastically in favour and a group of other member-states (led by Britain) worried that this will clear the way for countries in Central America and thereby dilute the benefits for the existing members of the ACP.

Leader, Page 22

# Malaysian Mining wins \$150m pipeline contract

By Wong Sulong in Kuala Lumpur

MALAYSIA Mining (MMC), the world's biggest tin mining group, has won a contract, worth 400m ringgit (\$150m) to build a 730km gas pipeline for Petronas, the Malaysian oil corporation.

MMC's 55 per cent-owned subsidiary, MMC Gas Sentriam Berhad, is to undertake the pipeline contract, with GMT Entrepote of France and Mannesmann Aktiengesellschaft of West Germany.

The consortium won the contract against three other international consortia, led respectively by Malaysian companies, Sime Darby, Permas Construction and the Trengganu State Economic Corporation.

In an announcement over the weekend, Petronas and MMC said the contract would be signed "by the first week of November."

The contract is for the engineering, procurement, construction and commissioning of the pipeline.

# Tokyo threatens EC on quotas

By William Dawkins in Brussels

TOKYO is considering a formal complaint to the General Agreement on Tariffs and Trade if the European Community fails to produce guarantees that it will scrap a wide range of national import restrictions, Japanese officials said yesterday.

Japan has given the European Commission until late December to get 11 member-states - all EC countries but Britain - to agree to phase out 131 nationally imposed quota restrictions on 107 products ranging from cars imported to Italy and Portugal to camera lenses, forklift trucks and bananas.

While Japan's complaint that these import quotas are discriminatory has been a lingering source of tension with the EC for years, Tokyo made it clear at an informal meeting with Commission trade officials last month that it now wants to bring the matter to a head.

Japan notified Gatt in July that it thinks the EC restrictions are unfair, but as part of the wider Uruguay Round of trade liberalisation talks, rather than a specific complaint.

Officials from both sides admitted the volume of trade involved is not significant, but Japanese diplomats said they attached great political impor-

tance to the restrictions at a time when Tokyo was trying to build its economic links with the EC.

A Commission official said yesterday that Japan's complaints would be taken up with member-states. These talks only cover quota restrictions officially sanctioned by individual EC governments. Spain is the worst alleged offender, with 41 restrictions, followed by Italy with 36, Portugal with 23 and France with 17. Britain is the only EC member with no quota restrictions covered by the dispute.

Italian and Portuguese car import curbs are included in the talks

# Joint venture for Soviet and West German banks

BANKS from the Soviet Union and West Germany have jointly founded the first finance company to combine capital from Eastern and Western Europe, a Soviet banking official said yesterday, Reuters reports from Zurich.

In the deal, the Soviet Union's Bank for Foreign Economic Affairs and West Germany's Landesbank Rheinland-Pfalz team up to form a Zurich-based company, named Eurosoo Zurich.

It will focus on trade financing and loan syndication, but will also conduct other business, including securities trading, said Mr Vladimir Goronov, general manager for the Bank for Foreign Economic Affairs in Zurich.

It will advise businesses on East-West trade in a bid to strengthen Eastern Europe's economic ties to the West.

The Bank for Foreign Economic Affairs will hold SF71.5m of the company's SF15m capital.

So will Donau-Bank, a Vienna-based bank jointly owned by the State Bank of the Soviet Union and the Bank for Foreign Economic Affairs. The Landesbank owns 87.1m of the capital, while IT Industriewerke of Zurich holds the other SF7m stake.



**AT&T**  
The right choice.



**WE BELIEVE OUR UNMATCHED INTEGRITY PROVIDES UNPARALLELED PROTECTION.**

In this futures market, an element endures that can neither be bought nor sold: integrity.

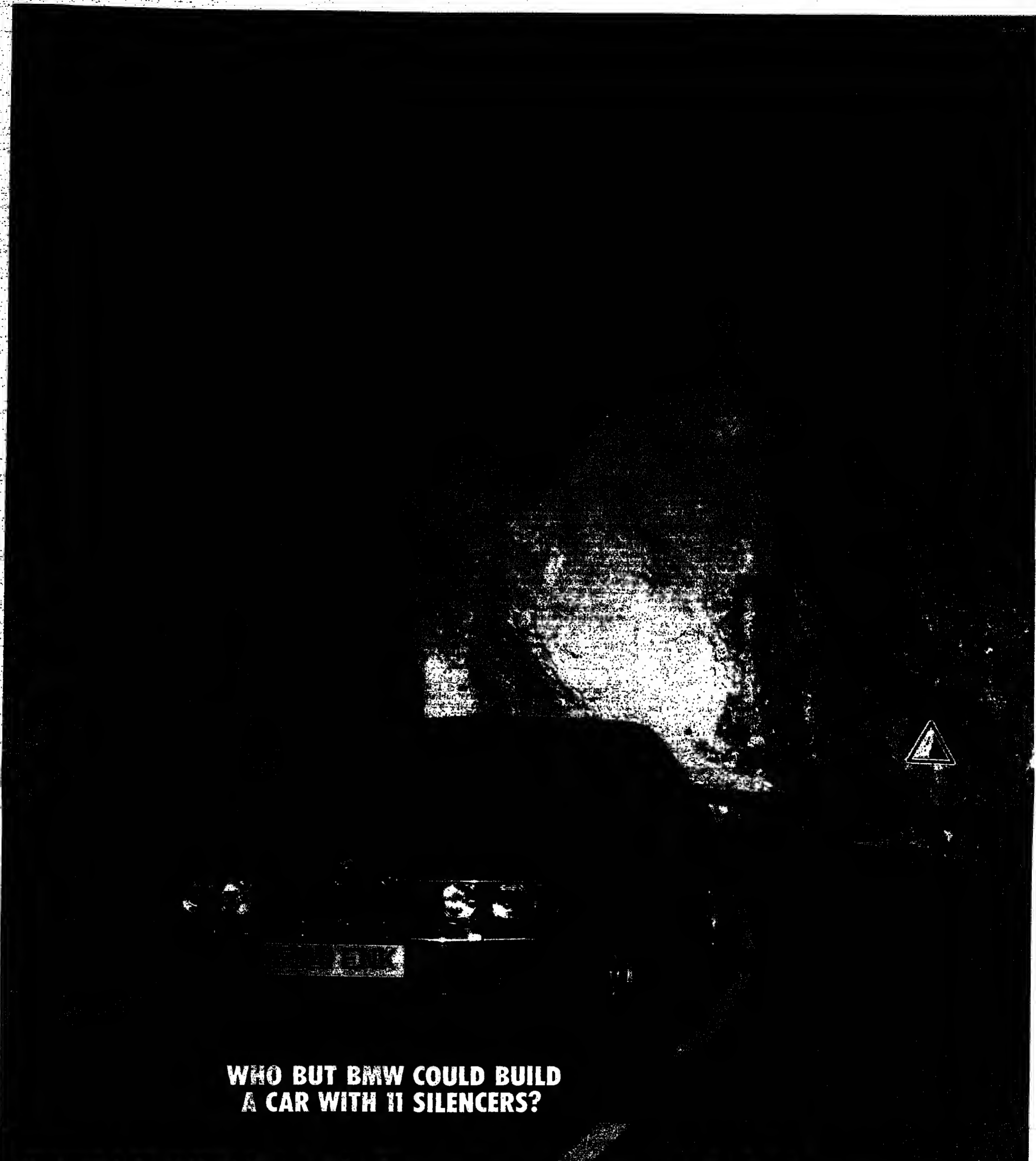
It comes from a history of honor, pride and purpose. It comes from going beyond government trading regulations to create stringent self-imposed regulations to further protect the customer. With a computerized audit trail that tracks every trade to the second. And a clearing corporation that assumes every trade is marked-to-market, every day.

Through these turbulent times, there remains an institution with unmatched integrity. The Chicago Board of Trade. You can believe in it.

**Chicago Board of Trade**  
The exchange to believe in.



While accepting the...  
 available and...  
 special facility...  
 for Soviet...  
 man bank...  
 CHED...  
 LED...  
 face



**WHO BUT BMW COULD BUILD  
A CAR WITH 11 SILENCERS?**

Noise can be dangerous. Inside a car, as well as outside.  
 At 80 decibels, experts say, it can even hurt people. Which means that in some cars, people are actually getting hurt.  
 Though not, of course, in the BMW 730i. A car so quiet, it had to be made louder. (Early tests showed that at low speeds, some drivers could not detect whether the engine was running.)  
 Such quietness emanates, or rather doesn't, from BMW's 3-litre engine. Which in its materials and design alone, accounts for two of the 730i's eleven silencers.  
 Its block successfully blocks the escape of sound. (It is made from austenitic iron, which

has a noise-absorbing crystalline structure.)  
 While the in-line, 6-cylinder configuration ensures perfect balance.  
 Fluid-filled engine mountings soak up even the faintest tremor.  
 And under the bonnet an acoustically contoured moulding blankets the engine, smothering any discordant note.  
 Even the silencer is silenced. It reflects the waves of sound back upon themselves till they're literally exhausted.  
 And bushed. The exhaust system is flexibly mounted at no fewer than five points.  
 There are no creaks and groans, thanks to a bodyshell 50% more dynamically rigid than its predecessor. And it cleaves the air with nary a

murmur, courtesy of a shape so efficient its coefficient is less than 0.32.  
 The windows too play their part: they act as though double-glazed.  
 Close them and a rubber lip presses itself, leech-like, against the glass.  
 No sound passes when one's lips are sealed. Even so, 134lbs of sound insulation cocoons the cabin. (The carpet underlay alone is 1" thick.)  
 And acoustic decoupling of running gear from body means you ride in splendid isolation.  
 In fact, the BMW 730i's silence is so pervasive, it affects the people around it. Turn up in one, and see how your friends go quiet.

**THE ULTIMATE DRIVING MACHINE**

THE BMW 7 SERIES RANGE FROM £23,850 FOR THE 730i TO £53,750 FOR THE 750iL. 730i SHOWN ABOVE WITH OPTIONAL CROSS-SPOKED ALLOY WHEELS AND METALLIC PAINT. PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDE CAR TAX AND VAT BUT NOT DELIVERY OR NUMBER PLATES. INCLUSIVE DELIVERY CHARGE, INCORPORATING BMW EMERGENCY SERVICE, £235 PLUS VAT. ALL CURRENT MODELS (EXCEPT THE M CARS) CAN TAKE UNLEADED PETROL WITH NO MODIFICATION REQUIRED. FOR A 7 SERIES INFORMATION FILE, WRITE TO BMW INFORMATION SERVICE, PO BOX 46, HOUNSLOW, MIDDX OR TEL: 01-897 6665 (LITERATURE REQUESTS ONLY). FOR TAX-FREE SALES, TEL: 01-629 9277.



UK NEWS

Government urged to exercise caution over the economy

Tories assemble to sound of inflation fears

By Peter Riddell, Political Editor, in Brighton

THE GOVERNMENT was last night urged to take a cautious attitude towards the economy by two former Chief Secretaries to the Treasury as talks about next year's public spending plans entered a crucial phase.

Interests of Mr Nigel Lawson, the Chancellor of the Exchequer, to leave his present post after another budget and possibly become a "robust" Foreign Secretary, who would not be a puppet of the Foreign Office.

with a heavy police presence. Other measures included a minesweeper offshore, and repeated checks for anyone seeking access to the conference complex.

ment must keep to existing public spending plans and not yield to pleas from those who think increased tax revenue justifies increased spending.

at the time, were mistaken. He said Mr Lawson could not have proposed tax cuts of such a magnitude if he had believed inflation would have risen and that there would have been such a large trade deficit.

Lloyds Bank to fight ruling over equal pay

By Michael Smith

LLOYDS BANK is to challenge the findings of an independent expert appointed by an industrial tribunal in a battle over equal pay for equal value which could have implications for office workers throughout Britain.

Seven secretaries and typists have been fighting for more than two years to have their salaries increased to the levels earned by bank messengers who they consider are doing work of similar value.

The Lloyds Bank Group Staff Union, which is backing them, sees the tribunal as a test case not only for the more than 2,000 secretaries and typists employed by the bank but also for clerical workers in other industries.

The tribunal-appointed expert found that secretaries on salaries of a minimum of £5,921, £5,961 and £7,645 were performing work of equal value to senior messenger messengers on at least £9,290.

Lloyds said yesterday it would be challenging the findings when the tribunal announces the expert's opinion at its next meeting in February.

A protracted battle can be expected. Should Lloyds lose, the annual cost to the bank could be more than £3m, according to the union.

The tribunal case is thought to be one of the most expensive in equal pay law history. The union, which is being backed by the Equal Opportunities Commission, estimates it will spend more than £100,000 and that the bank could face a bill of more than £200,000.

Mr Paul Partridge, the union's general secretary, said he thought the union's championing of the case had already played a part in winning equal terms of conditions for part-time workers, many of whom are women, with full-time and persuading Lloyds to announce a review of the bank's staff below managerial grade.

Sir, I REQUEST my copy of Church's Famous English Brochure.

28 RICHLY VARIED PAGES, individually dressed with a plethora of classic designs, brogue and casual, hand-crafted in the very finest leathers and carrying the comfort of Church's 115 year tradition for today's discerning gentleman.

Name, Address, Postcode fields.

Sent to Church & Co., Dept. FT02, St. James, Manchester M2 5JL.



Church's Famous English Shoes

Television policy puts pressure on ITV to cut costs

By Raymond Snoddy

APPLICANTS for future commercial television in the UK will not have to own studios or employ large production staffs, the Government has decided.

MR RUPERT MURDOCH, the American-Australian publisher, yesterday backed down on his claim that he would offer the British public four channels of advertising-financed television all for a single payment of £199 for satellite receiving equipment.

from next July, just over four months after the launch of Sky Television. A second channel, Eurosport, he said, might also be included in a subscription package at the same price.

PAL. At the same time Mr Alan Sugar, chairman of Amstrad Consumer Electronics promised to produce basic receiving equipment which would have a retail price of £199.

Mr Murdoch conceded yesterday that the main reason for the change of policy was the opposition of the Hollywood studios.

Now the film channel is to be encrypted so that only those who have the correct decoder and pay the monthly subscription will be able to watch.

any obligation for new franchise holders to take news from Independent Television News. The Government still appears to be committed to encouraging competition in commercial news, but will try to ensure any competing news service can offer a national quality service.

The white, or policy, paper on the future of broadcasting which is due to be published in the middle of November, will make it clear franchise holders will have the right to be "publishers" who can commission or buy their programmes from the independent production sector.

The News International chief executive admitted at a London press conference that one of the channels, Sky Movies, would become a subscription channel

towards using a higher proportion of independent producers will be immediate. Unless savings are made during the next few years, ITV companies might find it difficult to compete for tenders against newcomers to the television industry who might commission programmes on

the open market. The idea of ITV franchise holders as publishers rather than staff producers was put forward as an option by the Independent Broadcasting Authority in a policy document in April.

The Government has been keen to encourage the growth of the independent production industry and has made it clear it wants to see independents with access to 25 per cent of Britain's four national television channels.

The aim is to encourage a move away from fully-integrated production companies who sell advertising and make most of their own programmes and instead promote more internal competition in the commercial television industry.

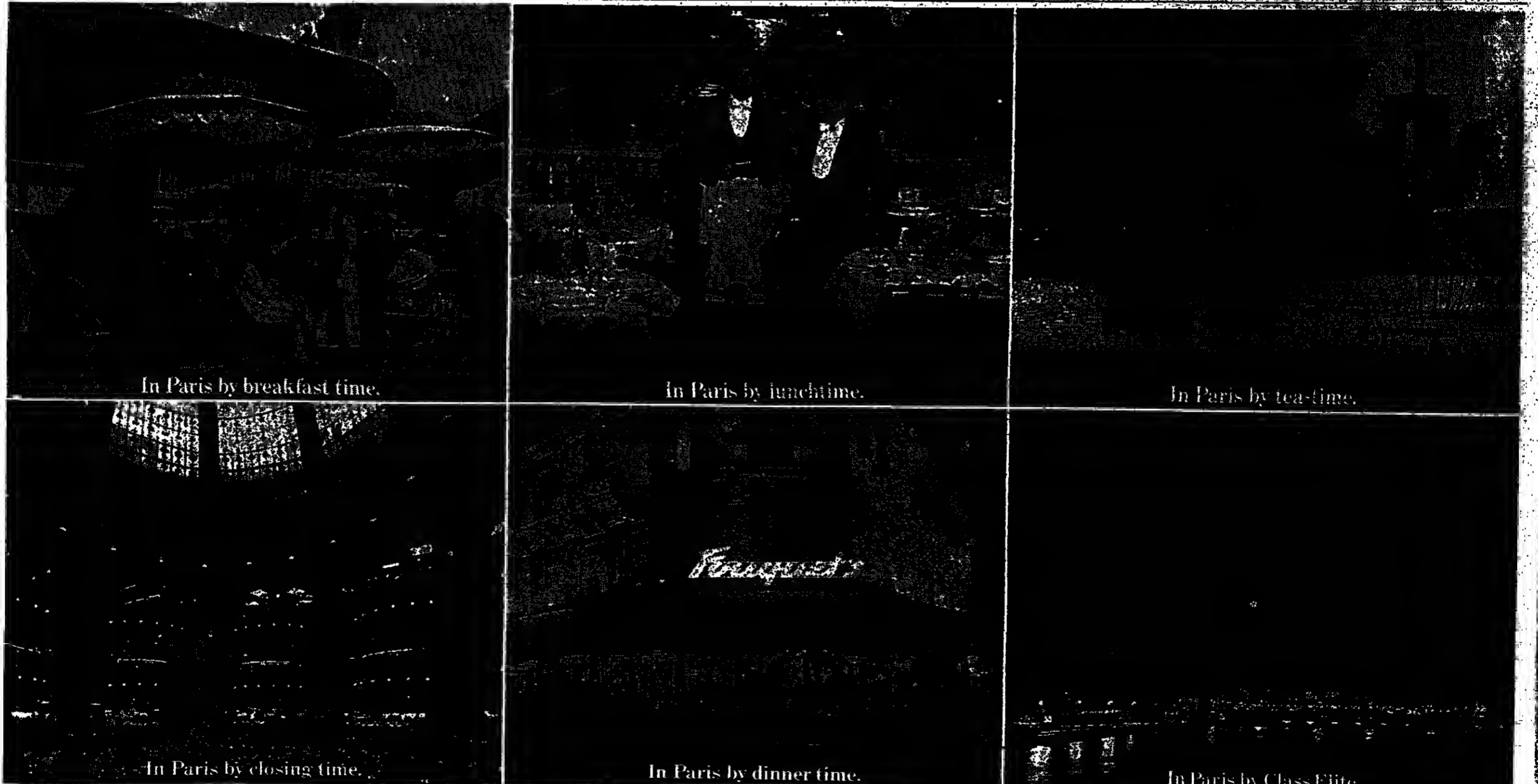
The financial implications are far-reaching, although the existing independent television (ITV) companies will not be forced to give up their studios or large staffs. The pressure on major ITV companies to reduce costs and move

the independent production industry and has made it clear it wants to see independents with access to 25 per cent of Britain's four national television channels.

Meanwhile, the Government appears to have modified a clause in the white paper which would have removed

MASSIVE 6-DAY AUCTION By Order of Court-Appointed Receiver ALL METALWORKING EQUIPMENT OF MASSEY COMBINES CORPORATION

Max Bouse sons inc auctioneers



In Paris by breakfast time.

In Paris by lunchtime.

In Paris by tea-time.

In Paris by closing time.

In Paris by dinner time.

In Paris by Class Elite.

The secret of good times in Paris.

From October 23, Dan-Air Scheduled Services operates its new Class Elite service from London-Gatwick to Paris. There are six flights a day, each carefully planned to deliver you in good time for whatever business demands. We'll fly you in for a breakfast brainstorm, a

corporate lunch, a tête-à-tête at tea-time, a little dealing before the market closes, a debrief over dinner or a night on the town. But we don't just offer you happy landings in Paris. We also offer you a better time getting there. Class Elite sets new standards in business travel. At Gatwick, you await your flight call in the seclusion of the Executive Lounge.

Once aboard, you will find your seat has been designed so that pitch, leg and elbow room are such that you can doze, read the Annual Report, or indeed write it, in comfort and privacy. A helpful bi-lingual cabin crew will serve you an excellent breakfast, lunch, high tea or dinner, accompanied by as much Charles Heidsieck Champagne as you deem wise, with our compliments.

In short, we do our best to see you arrive in France feeling better than when you started. Ask your travel agent for full details of Class Elite flights to Paris, or call Dan-Air Reservations on 0345 100200. Either way, we promise you a good time. DAN-AIR SCHEDULED SERVICES The secret is service.



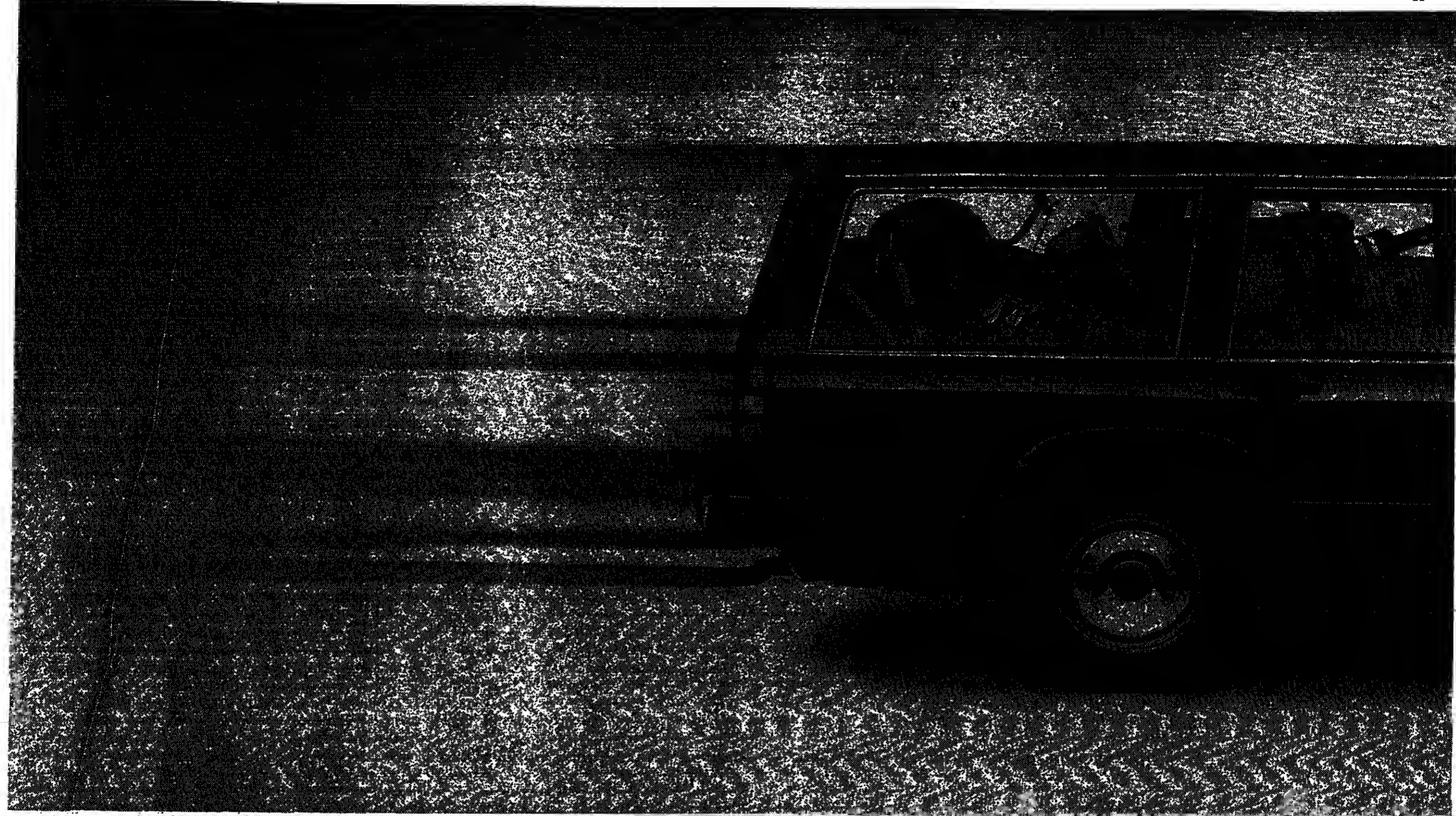
### Lloyds Bank fight

### alighting over

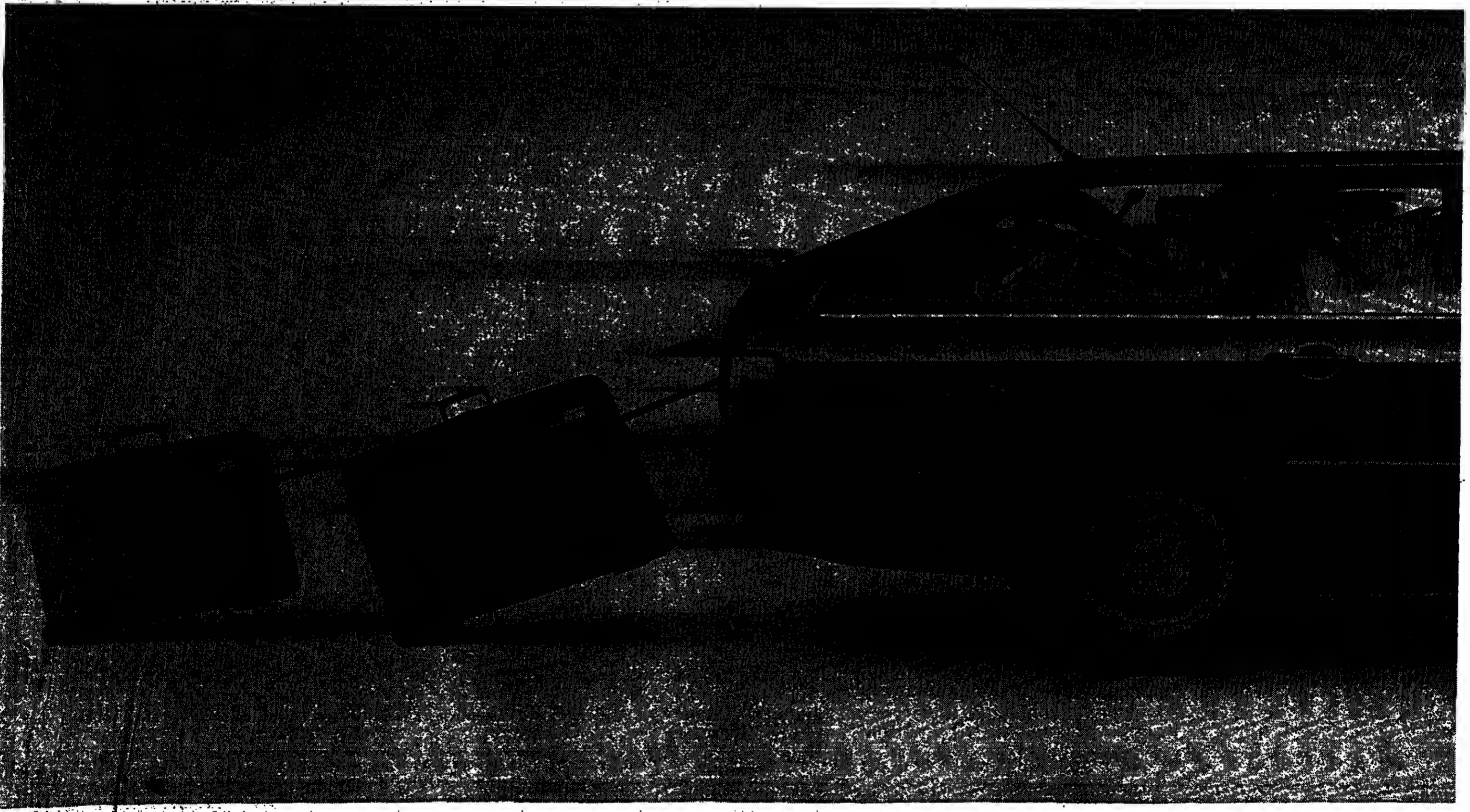
### qual pay

LLOYDS BANK is to challenge the findings of an industrial tribunal which ruled that it had discriminated against its clerical staff by paying them less than other workers doing similar work.

The tribunal found that Lloyds Bank had discriminated against its clerical staff by paying them less than other workers doing similar work. It ruled that the bank had discriminated against its clerical staff by paying them less than other workers doing similar work.



# HOW VOLVO LEAVE AUDI TRAILING BEHIND.



Compare, if you will, the Volvo 740 Estate, and Audi 100 Avant. As you can see, the Volvo offers considerably more luggage room. (Maybe there is something to be said for estate cars that are shaped like estate cars.) But of course, space isn't everything. In the Volvo, fragile cargoes (porcelain, pets, or passengers) are protected by a rigid

steel safety cage, with solid steel bars in all four doors. You'll also find a high mounted rear brake light, and three rear seat belts. Appealing? Then take this on board. At just £13,245, the Volvo costs £558 less than the Audi. So you don't have to be loaded to buy one.

To: Volvo, Springfield House, Princess Street, Bristol BS3 4EF. For a brochure call 0800 400 430 free, or post the coupon. 75/77-05-P-90

Mr/Mrs/Miss \_\_\_\_\_

Address \_\_\_\_\_

Postcode \_\_\_\_\_ Tel: \_\_\_\_\_

**THE VOLVO 740 ESTATE FROM £13,245.**

THE VOLVO 740 AND 760 ESTATES. PRICES FROM £13,245 TO £23,620 INCLUDING CAR TAX AND VAT (EXCLUDING STANDARD NATIONAL DELIVERY CHARGE £165, INCLUDING VAT). PRICES CORRECT AT TIME OF GOING TO PRESS. FOR CUSTOMER INFORMATION TELEPHONE: IPSWICH (0473) 270270.



UK NEWS

Pretty Polly gambles on sheer nostalgia

By Alice Rawsthorn

IN THEIR heyday women sought for them in the streets. But in the mind-skirted years of the swinging 1960s they no longer seemed so seductive. Now, in the late 1980s, the nylon stocking has returned.

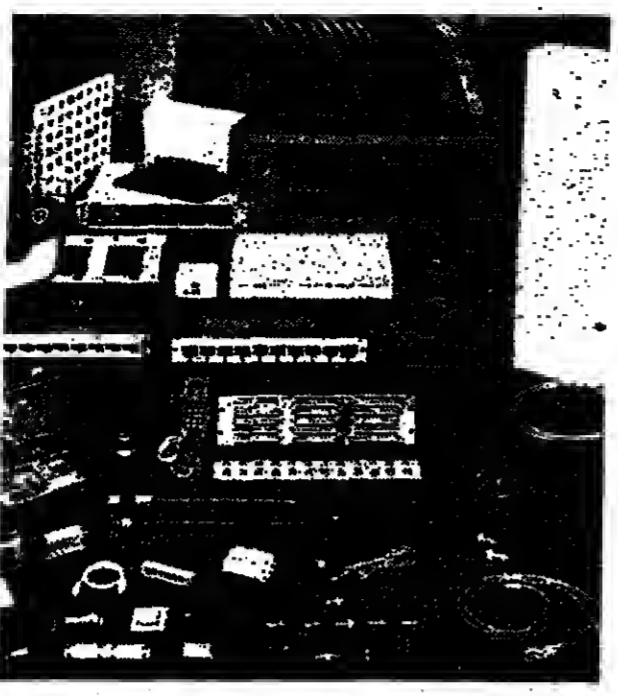
Mr Carothers fell prey to his fear that Du Pont would withdraw its support before his research was finished and committed suicide in 1937. Three weeks later, the nylon patent was filed.

men and two-thirds sold nylons. Nylons returned to US shops after the war and the "nylon riots" hit the streets. Macy's, the New York store, sold 50,000 pairs of stockings within six hours.

As he fits a product branch of the late 1980s, Pretty Polly is spending £1.5m on advertising its new Nylons in the UK and the Irish Republic.

We deliver all the Voice, Video, Data and Power products you need from stock!

- IBM Cabling System
• Ethernet
• Fibre Optics
• Nevada Western
• Belden
• Thomas & Betts



Branches at: ABERDEEN (0224) 724533, GLASGOW (0698) 841442, DARMINGTON (0325) 491121, LEEDS (0532) 766733, WARRINGTON (0625) 610121, BIRMINGHAM (021) 326 8777, HAYES (01) 561 8118, BRISTOL (0272) 218867, HARLOW (0278) 458260, LONDON (CITY) (01) 490 1322.



Wiring Systems Supply Specialists. Anxter (UK) Limited, 632-652 London Road, Isleworth, Middlesex TW7 4EY. Telephone: (01) 568 1681 Telex: 291308

Bidders prepare for schools contract

By David Thomas, Education Correspondent

ABOUT 100 organisations have expressed interest in bidding for a contract to supply a new nationwide system of tests for schoolchildren.

ing groups, university and educational research bodies and educational publishers. Surprisingly, some large commercial companies with their own training wings have also shown initial interest.

and possibly design and technology, in 1991. The plan is to develop a bank of tasks, which will be written, oral, practical and graphic, to assess the seven-year-olds. The tasks will be common across the whole country, but schools may choose from within the bank.

Factory prices rise at record rate as material costs drop

By Ralph Atkins, Economics Staff

MANUFACTURERS' prices rose at the fastest annual rate for nearly three years in September, while the cost of fuel and raw materials fell, according to official figures yesterday.

The monthly fall was larger than expected by most financial analysts in London. This encouraged optimism about the index of manufacturers' prices in coming months.

Clowes report expected this week

By Clive Wolman

THE REPORT into the Government's responsibility for the collapse of the Barlow Clowes investment empire, which has been written by Sir Godfrey Le Queene, is likely to be presented on Thursday.

The report is expected to be accompanied by a statement from Lord Young, the Trade and Industry Secretary, whose department licensed Barlow Clowes' UK operations.

The Government has yet to decide whether to offer compensation to investors in the £52m UK fund, whose losses in any case are likely to be small or negligible.

Of more critical importance will be whether the Government offers any compensation to the 11,000 investors who paid in more than £100m to the offshore, Gibraltar-based fund.

The Department of Trade and Industry's (DTI) index of output prices rose by 0.4 per cent last month. This pushed the annual rate of increase to 5.9 per cent - the highest since December 1985 - compared with less than 4 per cent at the beginning of the year.

Other figures show the cost of fuel and raw materials bought by the manufacturing industry fell by 0.5 per cent in September. The annual rate of increase was 3.2 per cent, unchanged from August.

The DTI said the decline in material and fuel prices reflected lower prices for metals and petroleum products. After adjustment for normal seasonal variations, the price of materials and fuel purchased by the manufacturing industry fell by 0.6 per cent in September.

Bae wins £100m deal to maintain US bombers

By Michael Dome, Aerospace Correspondent

BRITISH Aerospace has won a further contract from the US Air Force, expected to be worth more than £100m up to late 1993, for the continued refurbishment and maintenance of F-111 fighter-bomber aircraft.

More than 150 aircraft are scheduled for the overhaul, between October this year and September, 1993.

The contract was agreed last week with the US Air Force Logistics Command at Sacramento, California.

The precise number and work content will depend, however, on the evolution of the air force's own maintenance planning, which is updated annually.

Bae will carry out the maintenance work at its factory in Filton, near Bristol.

For the sake of reason, the overall value of the contract is not specified but is estimated by Bae at well in excess of £100m, taking into account the new tasks and other work involved.

Tractor registrations rise

By Joel Kibazo

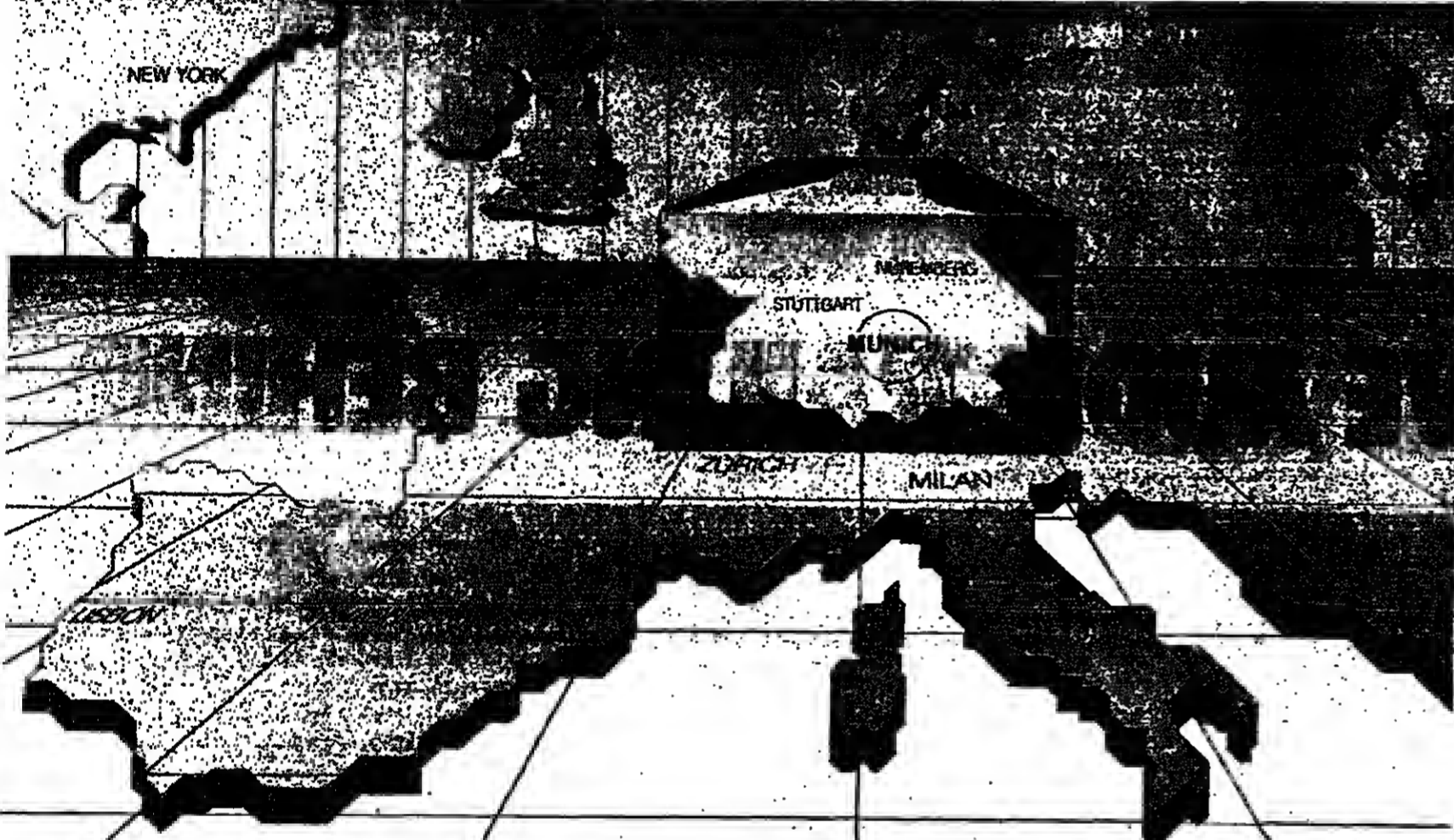
TRACTOR registrations in the first nine months of this year were up 18.7 per cent on the same period last year according to the Agricultural Engineers Association.

only one to show a decline with a drop of 14.4 per cent. The society says this is a reflection of the poor cereal harvests over the last two years in that area.

Registrations showed the biggest increase in the western part of Britain, with Wales recording an increase of 21 per cent on last year, and the south-west a rise of 34 per cent. The Eastern region was the

However, figures for the last quarter of the year are not expected to reach the 29 per cent increase achieved in the last quarter of 1987. An annual rise in excess of 10 per cent is expected.

OUR OTHER AD IS A FULL PAGE IN THE FT. Why spend more money to make money when you can spend less and make the same amount? For more about our value-based approach to fund management, please call to Keith Perry or write to Phillips & Drew Fund Management Limited, 100 Broad Street, London EC2M 1JH.



HYPOLAND

Southern Germany is one of Europe's fastest growing regions, its economy fueled primarily by enormous progress in advanced technology-related industries and services.

150 years of activity. Our comprehensive services to banks range from routine transactions such as payments and collections and L/Cs to industrial sector analyses, lock box systems and sound advice on new business potential.

This is Hypo-Land, home of Munich-based Hypo-Bank which operates Southern Germany's largest branch network and offers banks the scope and quality of correspondent facilities you would expect from Germany's oldest publicly-quoted bank with total assets exceeding DM 126 billion.

Founded in 1835 by King Ludwig I of Bavaria, Hypo-Bank has a service tradition of royal client treatment and mutually rewarding correspondent banking relationships. For complete information on Hypo-Bank's problem-solving approach to correspondent banking and how we can help you in Hypo-Land, get in touch with our office nearest you, or with us at Theatinerstrasse 11, D-8000 Munich 2, Telephone (089) 23 66-1, Telex 52 865-35.

Hypo-Bank is equipped with state-of-the-art technical capabilities to provide instant access to intimate local market expertise built up over

CORRESPONDENT BANKING IN THE FINEST ROYAL TRADITION



We now have this many flights a week to Tokyo. Image showing multiple airplane icons flying towards Tokyo.

In all, Japan Air Lines have 11 flights a week from London to Japan. Including 6 non-stop which leave Heathrow in the evening, to allow you a full working day in the office. Is it any wonder that the British businessman is one of our greatest fans.

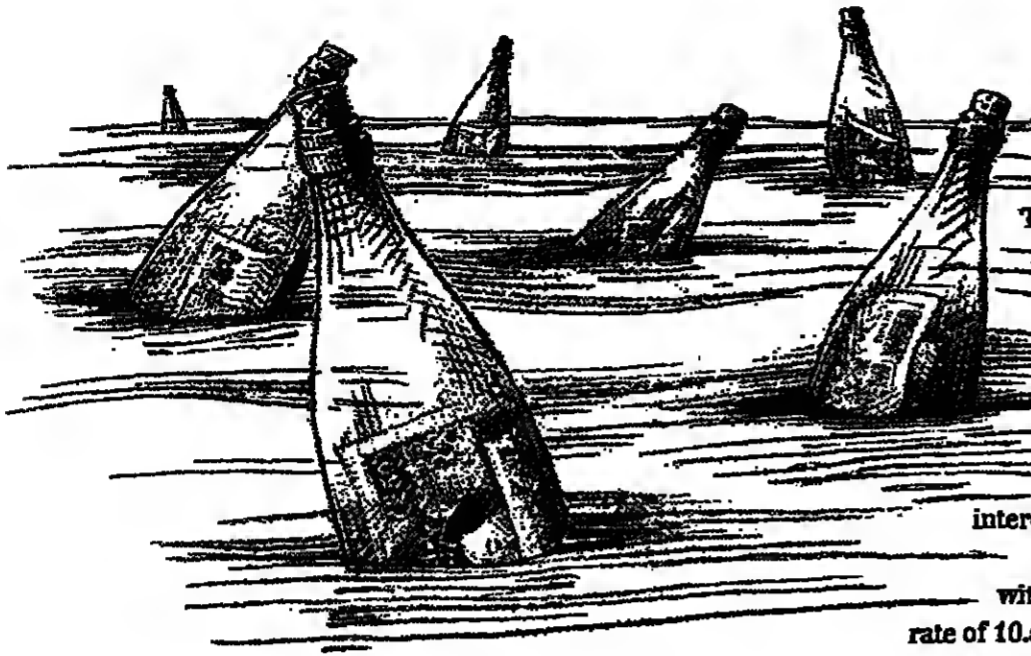
daily islets







## WITH HALIFAX JERSEY-BASED INVESTMENT YOU DON'T HAVE TO BOTTLE YOUR MONEY UP



Investing overseas needn't mean waving bon voyage to your money for a fixed period.

With HALIFAX DEPOSIT INTERNATIONAL it's a breeze to get at.

There is no minimum time limit on your investment and you can have instant access with no penalties. You can even have standing orders and direct debits.

Being the Halifax you can expect highly competitive interest rates, and being Jersey-based you can get interest with no tax deducted.

Your sterling investment can start with a minimum of £1,000 at the substantial rate of 10.50%.

From there the interest rate automatically rises on the whole investment as your balance steps up as follows:-

AMOUNT	£1,000+	£10,000+	£25,000+	£50,000+
INTEREST RATE	10.50%	11.25%	11.75%	12.00%
C.A.R.*	10.78%	11.57%	12.10%	12.58%

Interest rates may vary so you can call our Halifax Jersey Hotline on (0) 534 59840 for up to the minute information.

To qualify for this great investment opportunity you have to be not ordinarily resident in the U.K. If this includes you and you would like to open an account, simply send us a cheque with the completed coupon below.

It could be your first step to a whole new investment opportunity. One worth opening a bottle or two to celebrate.

To Halifax Building Society, International Investment Unit, Lagorville House, Lagorville Lane, St. Helier, Jersey, Channel Islands.

I/We enclose a cheque/standing order No. \_\_\_\_\_ for \_\_\_\_\_ (£1,000)

I/We are not ordinarily resident in the U.K. Please read the declaration form for the payment of gross interest. I/We would like the interest to be added to balance  Paid half-yearly

Full Name \_\_\_\_\_ Title \_\_\_\_\_  
Address \_\_\_\_\_  
Nationality \_\_\_\_\_ Tel No \_\_\_\_\_  
This sum is being invested in HALIFAX DEPOSIT INTERNATIONAL by me/us as sole/joint beneficial owner(s).  
Signature \_\_\_\_\_ Date \_\_\_\_\_

**HALIFAX**  
THE WORLD'S NO 1

Halifax Building Society, International Investment Unit, Lagorville House, Lagorville Lane, St. Helier, Jersey, Channel Islands.  
Interest is paid twice yearly, at a higher compounded annual rate (C.A.R.) if left in the bank year. Copies of the full product account are available on request. Halifax Building Society's registered office is in Halifax, U.K. Interest is correct at time of going to press.

### UK NEWS

## Spycatcher trial lawyer attacks 'repressive UK'

By Richard Dootkin

MR MALCOLM TURNBULL, the 33-year-old lawyer who defended Mr Peter Wright, the former MI5 officer, when the British Government attempted to prevent the publication of his memoirs in Australia, said yesterday that Britain was becoming a laughing stock in the eyes of the world over its attitudes to freedom of speech.

Mr Turnbull said his appearance in London to publicise the launch of his book, *The Spycatcher Trial*, had not intentionally been arranged in the same week that the Law Lords give their final judgment in the battle to stop newspapers publishing extracts from the Spycatcher memoirs.

He was, however, making his accurate embarrasment for the Government in the lead-up to the Conservative Party conference in Brighton next week. "The attitude to freedom of speech in this country has hardened to the point where Britain is becoming a laughing stock in the outside world," he said.

Government policy on official secrecy was about "superficial secrecy", claimed Mr Turnbull. The time had come, he said, when Britain needed to fall in with its most important ally, the US, and adopt a policy which allowed former intelligence officers to submit any proposed publications for vetting by their former employers.

He described the forthcoming Official Secrets Act as a "freakish retrograde step" instead of being the best form of free speech. Britain will become the most repressive democracy in the Western World," he said.

Heinemann, the book's publishers, said any decision to publish *Spycatcher* in Britain rested on examination of the Law Lords' definitive decision on Thursday on whether the temporary injunctions preventing the publication of extracts from the book in the Observer, the Guardian and the Sunday Times should be permanent.

The case was taken by the Government to the Law Lords after three Court of Appeal judges in February unanimously upheld a High Court decision that the injunctions should not be made permanent.

Ms Helen Fraser, publisher at Heinemann's, said: "If the newspapers are allowed to publish their extracts we will take legal advice over whether we could publish here. I expect the judgment to be multi-faceted and it will need some studying first."

*Spycatcher* has already made Mr Wright a millionaire with an estimated 2m sales worldwide in hardback and paperback. Heinemann estimate that 50,000 hardback and 70,000 paperback copies had made their way into Britain from abroad.

Sir Patrick Mayhew, the Attorney-General, has given a warning that a decision to uphold the previous court decisions could create an "open season" for breaches of confidentiality by members of the security service if the principle that they had a lifelong obligation not to talk about their jobs was upheld. A further 10 authors are planning books about their own or their relatives' experiences in security service work.

## Invisible earnings face £1.6bn setback

By Peter Montagnon, World Trade Editor

NET INVISIBLE export earnings by the private sector are likely to fall sharply to around £12m this year from £13.6bn in 1987, Mr Richard Mason, Executive Director of the Invisible Exports Council (BIEC) told its annual meeting yesterday.

Much of the fall would be due to a fresh deterioration in the tourism account, the deficit on which nearly doubled to £1bn last year as more Britons took holidays abroad. Although the BIEC annual report shows continued modest growth of £543m in net private sector invisible earnings last year, the most significant contribution came from higher investment earnings which increased by £35m to £6.4bn. Net earnings from traded services grew by only £22m to £7.2bn.

Overseas earnings of banks were affected by their large provisions on developing country debt last year, while shipping and aviation also put in worse performances, partly due to exchange rate movements.

These particularly affected sectors in which income was mainly in dollars, but which were converted to sterling to compile the statistics.

The annual report said Britain continued to post the world's largest invisibles surplus. Trade in invisibles accounted for nearly half of Britain's trade and 18.6 per cent of gross national product.

However, Lord Limerick, BIEC chairman, warned against the assumption that invisible earnings could rise continually to balance the deterioration in Britain's visible trade balance.

## Illness forces Labour treasury spokesman to the sidelines

By Peter Riddell and Tom Lynch

MR JOHN SMITH, Labour's treasury spokesman who is often tipped as the potential successor to Mr Neil Kinnock, the party's leader, is unlikely to be well enough to lead Labour's autumn offensive on the Government over the economy after his heart attack on Sunday.

Edinburgh Royal Infirmary said yesterday that Mr Smith was expected to stay in his coronary care unit for 48 hours and to stay in hospital for about a week. Aides at Westminster were predicting that he would not be fully back in action for about a month.

The hospital said his condition was stable. He was expected to make a complete recovery.

His likely absence from the House of Commons comes as Labour is planning an offensive against the Government over the economy, first in a debate shortly after the Commons returns next week and



John Smith's potential successor to Kinnock then over the autumn economic statement in mid-November.

However, Mr Smith has an able deputy in his close friend, Mr Gordon Brown, the shadow Chief Secretary to the Treasury, who is an impressive per-

former at Westminster and fully on top of the economic portfolio. Mr Brown will probably work in tandem with Mr Bryan Gould, the Shadow Trade and Industry Secretary, on economic and industrial matters.

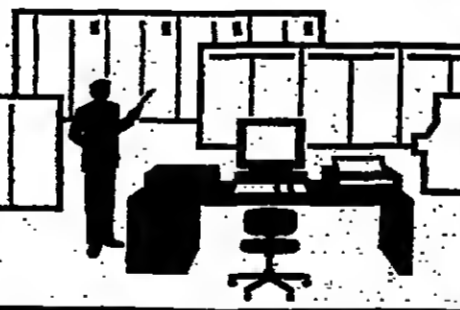
However, fully he recovers, Mr Smith's illness raises questions over the frequent speculation that he might succeed Mr Neil Kinnock as Labour leader should he step down at any stage.

At 50, Mr Smith would still be young enough after the next general election if Labour should lose again. He is certainly the favourite candidate of many MPs and trade union leaders should a vacancy occur, given his abilities as a Commons performer and his ministerial experience - he and Mr Roy Hattersley, the deputy Labour leader, are the only shadow cabinet members with ministerial experience at cabinet level.

C&C Computers and Communications.

# Which One Is NEC?

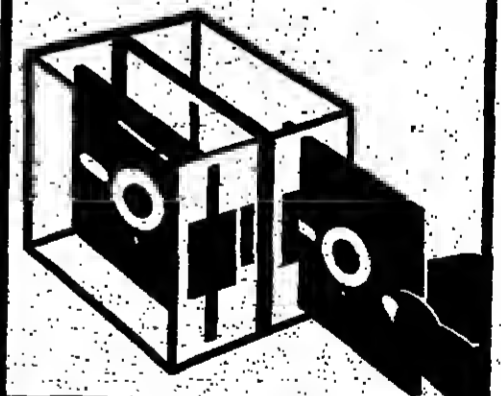
The ideal host-host computer, that is, NEC mainframe computers are responding to the needs of all types of offices and all types of requirements.



Chips that are stacked in your favour. NEC makes the semi-conductors and other electronics found in our products. So you can be sure of NEC quality through and through.



Disk drives that keep driving - NEC disk drives earn high marks for durability and dependability the world over. Just what you need to keep your business humming along.



For those with driving ambition - NEC's mobile phones offer a variety of features along with compact convenience. No wonder, they're the talk of the town.



Pagers that do more than just beep. Ours can give you a message.



Colour TVs and VCRs that reach new heights - high fidelity, high resolution and high quality. Now that's a higher form of home entertainment.



A CD-ROM that's on the cutting edge - NEC data storage products are known for their quality. And our CD-ROMS are no exception.



Hair thin fibres that are thick with information - NEC's fibre optic technology makes communication of all kinds - voice, data, text, images - as clear as a bell.





UK NEWS

Arts outperform cars in overseas earnings

By Peter Montagnon, World Trade Editor

THE ARTS is now contributing more to Britain's overseas earnings than the motor industry, according to an analysis in the British Invisible Exports Council's annual report.

In 1984, the latest year for which figures are available, overseas earnings from the arts amounted to just over \$4bn, some £200m more than earnings from motor vehicles and parts, the report says.

"It makes a case for regarding the arts as a serious integrated export sector in its own right," said Mr John Myerscough of the Policy Studies Institute who compiled the research. The arts sector directly employs almost 600,000 people and the number is rising.

Included in the total are invisible earnings of £3.2bn from sectors such as theatrical performances, films and television sales, broadcasting and services such as valuation, shipping and market-making in works of art.

The largest single item, however, was what Mr Myerscough described as "cultural tourism" which yielded nearly £1.5bn. Mr Myerscough said this figure was hard to calculate, but had been compiled conservatively on the basis of spending by tourists on specific arts events and attractions.

It ignored casual visits by tourists to theatres as well as visits to stately homes and was almost certainly understated. Separately, he said that his

\$599m estimate of earnings from publishing was regarded as too low by the industry itself.

Trade in works of art came into the limelight last year with the sale through Christie's of Van Gogh's painting "Sunflowers" for £24.75m to a Japanese insurance company. In 1984, however, invisible export earnings contributed by marketing services related to the arts trade amounted to £78m.

Other big contributors to overseas earnings from the arts were theatrical performances, films and television material with £450m, and musical performance, publishing, recorded and broadcast material with £554m.

Foresters struggle to repair the ravages of 'The Great Storm'

Bridget Bloom on the battle to replant woodlands

IN A CLEARING by the high-banked lane on the edge of a sandy Surrey escarpment, more than 100 tree-trunks are piled higher than a man.

Behind the logs, the footpath which leads ultimately to the North Downs is open again, even if much of the landscape around it is unrecognisable. The arching canopy of beeches now lies by the roadside while acres of once-prolific woodland are awaiting replanting, maybe this year, probably next.

For Mr John Burgess, owner of some 20 acres of this once heavily-wooded part of Surrey, the shock of the storm, which a year ago this week hurled more than half of his trees to the ground, has passed. Like many owners in the worst-affected counties of Hampshire, Sussex, Surrey and Suffolk, he is determined to replant.

But Mr Burgess's experience over the last year points up the difficulties which have faced hundreds of owners of small amenity woodlands. The Timber Growers' Association of the UK, one of the many bodies now making their anniversary assessment of the great storm, believes these landowners have been worst affected.

Such small, private landowners have neither the resources nor the expertise to cope with the storm's devastation. What they do now and in the next few years could matter far more to the future of many a landscape in the south of England than action by large estates or the Forestry Commission.

A year after the storm, it has been estimated that some 15m trees or 4m cubic metres of timber were blown down. This is equivalent to about 80 per cent of Britain's timber which normally comes from domestic sources, although that is only some 15 per cent of the country's total timber needs.

On the night of October 15, 1987, a violent gale swept across England in which 30 people were killed or fatally injured, and some 15m trees were torn from the ground. Forests, parks and woodland were devastated. This was the beginning of months of anger and frustration for private landowners as they struggle to cope with the effects of disaster.

ference to assess the way forward, 70 per cent of the damage occurred to private woodlands with about 20 to 25 per cent on Forestry Commission property and the rest in parks, hedgerows and urban areas.

Although woodland owners lost an average of 20 per cent of their standing trees, Mr Burgess's losses were much higher, partly because his woods are on sandy slopes and caught the full blast of the gales. On October 16 his drive was impassable and the woods a scene of carnage reminiscent of a battlefield. It proved to be, he says, the beginning of months of anger and frustration.

None of the more than £5m in government emergency aid was made available for clearing, or for transporting timber, a point much criticised by the parliamentary select committee on agriculture, to which Mr Burgess gave evidence. In the event - and, partly, he believes, because he lobbied anyone he could find - he received £500 from the local council and another £500 from Surrey County Council.

This will go some way towards meeting his estimated £7,000 costs - a sum which could have been much higher. Mr Burgess managed to cut clearance estimates of some £15,000-£20,000 to less than £3,000, because of a chance

encounter with a young timber merchant from Shropshire.

What happened then was in its own way a triumph for market forces: Mr Ronald Laurie reckons his costs were lower, he and his men were prepared to work longer and harder than the Surrey timber merchants who were asked to tender, while his expertise in the market meant he has more than covered his costs.

Mr Peter Wilson, representative of the Timber Growers' Association on the Forest Wind-Blow Action Committee set up after the storm, said the market for top-quality timber has stood up relatively well, prices of second- and third-quality have been reduced by 50 to 60 per cent while there is virtually no market for the large amount of inferior timber that is left.

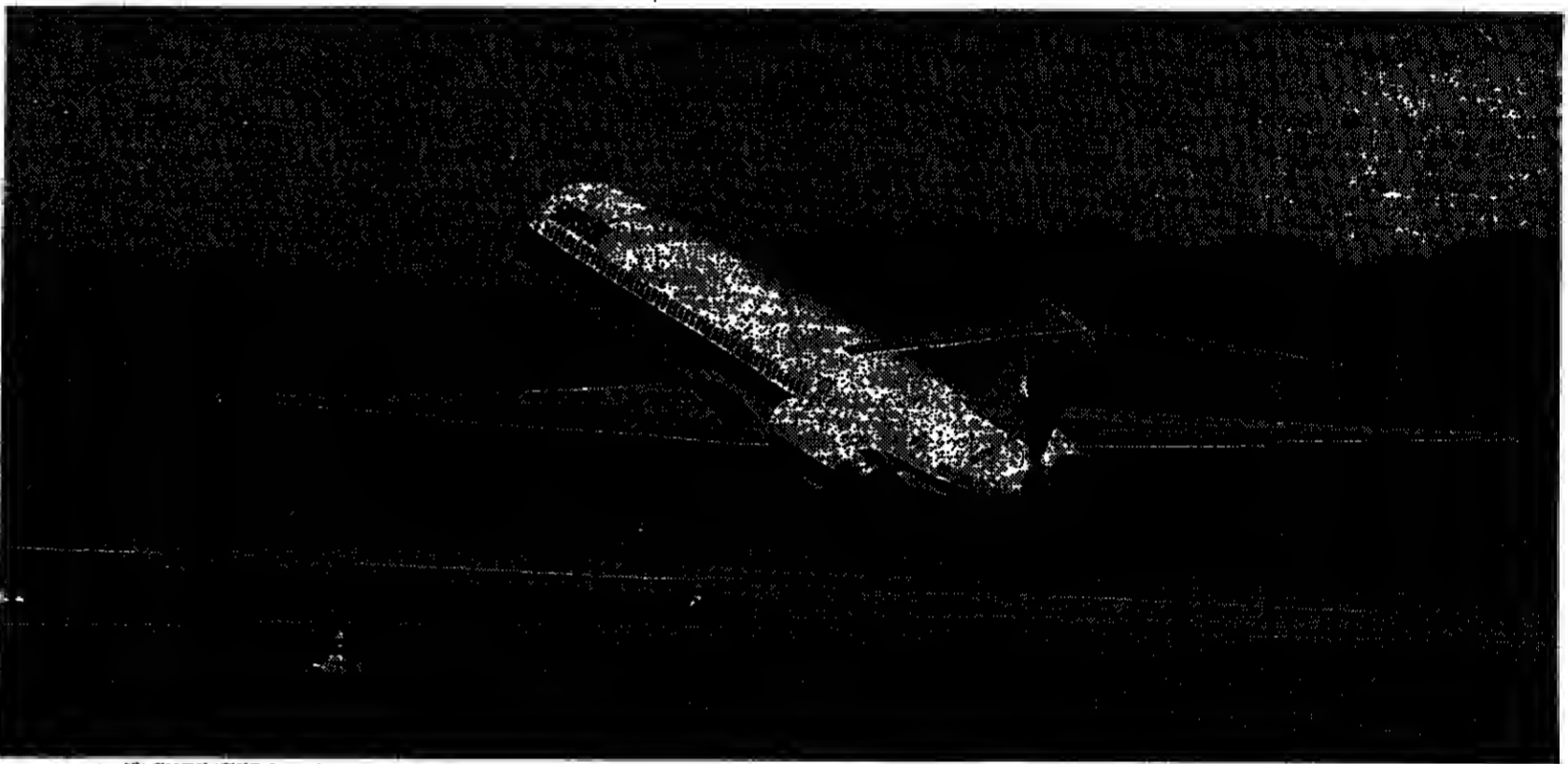
Markets are not likely to improve rapidly. The Forestry Commission reckons that 70 per cent of the broad-leaved timber is still lying where it fell. What of the future? John Burgess is unusual in that virtually all his land is now rough-cleared and with the help of English Woodlands, the forest management company, he is trying to assess what government replanting grants he might get. These have recently been increased and last week the Government said it had applications to re-stock some 2,600 hectares, which could mean 5m trees.

Mr Wilson, however, warns that the Government's refusal to allow maintenance grants could mean that even if trees are replanted, they will succumb to pests or weeds. There are also many other problems, from the now tree-less banks to the many remaining trees now so bereft of cover that this winter's storms could bring them down, too.

The ramifications of Britain's worst storm in 200 years will clearly continue to be felt for very many years yet.



With Swissair, you now can take a seat in Business Class even when you're on the ground.



Be our guest: make yourself comfortable, spread out your newspaper, study your files in all tranquility, engage in stimulating conversation with interesting people or simply sit back, have a drink and take it easy. When? Before or between your Swissair flights. Where? In the new Business Class lounges at Zurich, Geneva and many more airports, all over the world. Just a few more reasons, in addition to good connections, impeccable service and top-notch meals, to choose Swissair Business Class.



The perfect printer for today's office? NEC makes it. It's called the Pinwriter P2200 and it produces letter-perfect letters at a speed of 56 cps.

Get in sync with our Multisync Monitor - it automatically scans all frequencies between 15.5 KHz and 35 KHz, which means it is compatible with all colour graphics boards that are IBM compatible.

Can you top this? NEC's laptop computer. Just because it's light doesn't mean the NEC Multispeed is lightweight. This is one heavy performer.

The true fax - NEFAX, a facsimile machine that sends text and graphics over the phone lines in seconds, and fits on your desk next to the phone!

Is anyone there? If you're using an NEC PBX and key phone system, that's one question your caller won't have to ask. Together, they make short work of complicated switchboard operations.

Satellite communications with down to earth benefits - like bringing the world to every corner of Britain. NEC's microwave radio systems help make corporate communications more efficient, worldwide.

NEC is proud to sponsor international sports events like the Davis Cup, the Federation Cup and the fledgling World Youth Cup competition. We also sponsor the NEC World Series of Golf, and the prestigious Everton Football Club of the English League.

# All Of Them.

Surprise! NEC is one of the world's largest manufacturers of computers and communications equipment. And because we are committed to seeing society benefit from the integration of these C&C technologies, the advances pioneered by NEC in all fields of technology touch your life every day. Which one is NEC? Now you know; we're all of them. And that's only the beginning. Because in the world of C&C, there's more to NEC.

NEC is a registered trademark of NEC Corporation.

For further information, please contact: NEC (UK) Ltd., NEC House, 1 Victoria Road, London W3 6LJ, or phone 01-290 0200.



TECHNOLOGY

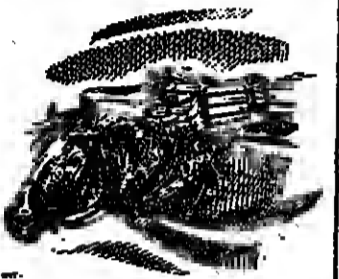
Robots swing into the saddle

A ROBOT jockey for use in the training of horses, especially those too young to carry a human, has been developed by Tohoku Denshi Sangyo of Japan.

The apparatus consists of a mechanised dummy, strapped to the saddle, which can simulate the actions of a rider. The trainer operates a radio control box, similar to that employed by model car enthusiasts, which has a range of 300 metres using the 40 MHz band.

Mechanical functions allow the dummy to pull either or both reins and to operate a whip or spurs. A loudspeaker fitted to the dummy's chest issues verbal instructions.

In a recent demonstration, albeit in a small enclosed area, the horse was seen to follow contentedly the demands of its robotic rider, moving from walk to trot or canter as instructed.



The main body of the dummy is made of aluminium, and is fitted with a compact DC servo motor and rotary solenoid and a 12-volt battery. The prototype apparatus weighs about 30 kg, but future versions weighing 20 kg are eventually only 10 kg are planned.

Tohoku Denshi Sangyo is based in Japan's northern Aomori prefecture. Sales of the robot jockey will begin from spring 1989, with an initial unit price of about ¥1m (£4,400). The company says that it will be cheaper than hiring a professional rider.

Akio Saeki, company president, says that the mechanical jockey has prompted great interest in Japanese horse training circles, but he discourages speculation about any forthcoming "robot derby".

Roy Garner

If the UK implements an electronic tagging system for offenders, it will be the first time outside North America that criminals will have been monitored in their homes.

The system gives courts the alternative of confining offenders to their homes during curfew hours, instead of sending them to prison.

Marconi Electronic Devices (Med) has announced that the Home Office has bought both hardware and software for the "house arrest" system. With the help of the UK probation service, the equipment will be adapted prior to a pilot scheme involving offenders or remand prisoners.

Douglas Hurd, the British Home Secretary, is expected to give details of the scheme in a speech to the Conservative Party conference at Brighton tomorrow.

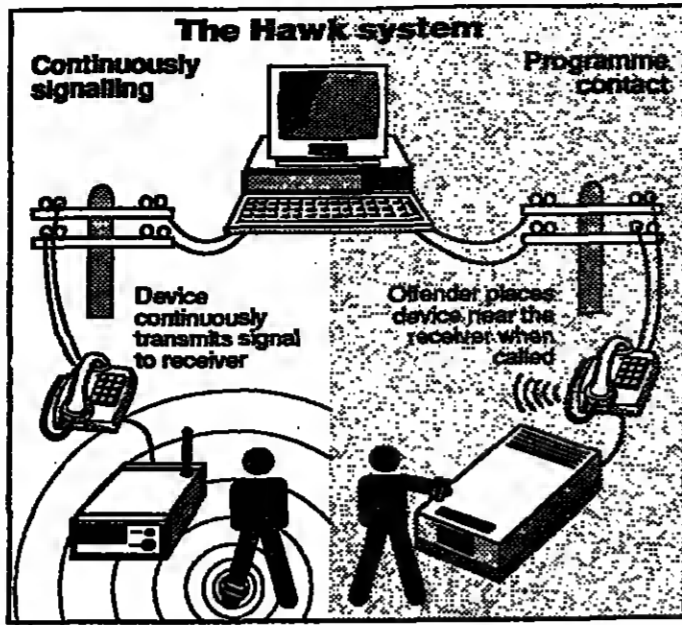
The use of electronic monitoring programmes is growing rapidly in the US as an alternative to prison. Home curfew schemes exist in 32 states and monitor between 5,500 and 6,500 offenders.

"There are more than 606,000 federal and state prisoners in the US and we have serious prison overcrowding," says McKinley Edwards, executive vice president of operations at Colorado-based BI Incorporated, one of the leading suppliers of monitoring equipment. "What's more, courts are getting tougher on crime. It's a problem that won't go away and home arrest schemes seem to be the answer."

The chances of such systems being introduced in the UK have been increased by recent technological developments. Bob Thomas, technical director at Corrections Services Incorporated (CSI), of Florida, which also supplies home arrest systems, says that there used to be serious quality control problems. Much of the equipment was based on burglar alarms and was therefore too big and not reliable enough.

"There has been a major technological breakthrough this year," says Robert Lilly, professor of sociology and law at Northern Kentucky University. A dramatic shift in the quality of the equipment "should allow in-house arrest schemes to become more widespread."

The main drive for these improvements has come from Swindon-based Med, part of the GEC group, which has teamed up with CSI to create a electronic monitoring system called Hawk. Med has managed to transfer technology from other security areas, for example the thin film method



A method of punishment in the home

Paul Abrahams examines the latest electronic tagging techniques

of layering chips which enables a device to be miniaturised. The Hawk system uses two ways of monitoring offenders: programme contact and continuously signalling equipment.

Programme contact consists of three elements, a wrist-watch style device strapped to the offender's arm, leg or torso, a receiver positioned in his or her home and a personal computer (PC) at the probation office.

In the programme contact system, the PC generates random telephone calls during the curfew period to the home of the person being monitored. When the offender picks up the telephone he hears a recorded message asking him to confirm his presence. He is then obliged to pass the bracelet within half an inch of the Hawk receiver.

The receiver energises the circuitry in the bracelet - this means it does not need batteries. A coded radio signal is sent back to the receiver which digitally transmits it to the office via the telephone line. The process takes less than a

second.

Kevin Swann, marketing manager at Med, explains that the Hawk wrist device overcomes many of the problems of previous systems. The bracelet weighs only 16 grams and is smaller, lighter and less obtrusive than previous systems.

It is also more reliable, he says, as it contains none of the batteries or moving parts which tended to give false alarms in earlier systems. The unit is sonically sealed and water resistant.

The continuously signalling method involves a similar bracelet containing a rechargeable battery, which sends out a regular signal. This signal is picked up by a receiver with a range of about 60 metres.

If the offender leaves the range of the receiver during the curfew hours, the unit sends a message to the computer which logs the infringement.

Med says that it has overcome the reliability problems of earlier continuous systems. The company has designed a unit which recharges the bat-

tary within the wrist device without opening it up. Earlier machines with throwaway batteries had a tendency to leak.

Edward Fine, a circuit court judge in Florida, which has one of the largest programmes in the US, says that there are also financial reasons why electronic tagging may become more common. He points out that house arrest is much cheaper than prison. It costs about \$5 (£3) a day to monitor somebody at home compared with at least \$50 a day to keep him in prison.

"The schemes also appear to benefit offenders and are surprisingly effective at helping them not to re-offend. Juveniles are not being sent to prison to be inducted into the criminal hierarchy."

"Such schemes also help us to avoid letting people out of prison early because of overcrowding when they shouldn't be on the streets," he adds.

Robert Lilly, at the Northern Kentucky University, says that a number of studies show that 20 per cent fewer offenders put under house arrest re-offend within a control period than is the case with people imprisoned.

Bob Thomas at CSI says that the success of early schemes with less serious offenders has led to their expansion to include more serious offenders. In Utah, electronic bracelets are being used to monitor sex offenders.

Cynthia Buckwalter, associate at Whale Securities in New York believes that the market in the US could eventually be worth more than \$1bn. Unit sales there have tripled every year for the last three years and she estimates that this year the market will amount to \$10m.

Authorities in Australia, Sweden, Denmark, the Netherlands, India and Thailand have expressed interest. A pilot scheme is running in British Columbia.

But there are still worries about the implications for civil liberties of such surveillance methods. This is particularly so of a technique which involves adding microphones to the devices.

Alvin J. Brunstein, executive director of the National Prison Project at the American Civil Liberties Union, says: "The danger is that such schemes don't decrease the numbers in prison."

"In Florida the authorities admit that about 30 per cent of those being electronically monitored would otherwise have been released on probation. There is little effect on the prison population and the net of social control is widened."

Weaving a circuit board

IT MIGHT seem absurd to revert to stringing wires between electronic components as engineers did in the 1950s. But by using computerised production techniques, costs can compare well with conventional multi-layer printed circuit boards (PCBs) for short production runs.

Design changes can be put into production by reprogramming, eliminating expensive photographic artwork in each layer.

Circuits can be made with good thermal stability and high component packaging densities. There is also good control over the way the signals will flow over the wires on the finished board.

Kollmeyer Corporation in the US and its UK agent, MW Circuits of Aldershot, have pioneered this "woven" circuit process and it has been used, for example, in the Harrier engine controls made by Smiths Industries.

The latest MW product, Microwire, is aimed at modern "surface mounting" boards where components are soldered directly to the top board surface. In conventional boards, the components' connection legs are pushed through holes to be soldered on the other side.

Microwire uses a high precision wire-laying machine, driven from circuit design data held in a computer. The wiring head moves rapidly over the board, feeding out and anchoring the wire ultra-sonically to a base plate.

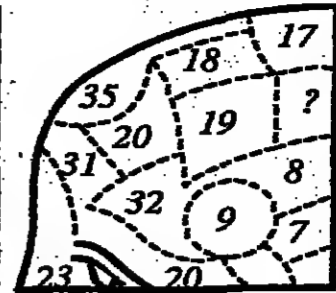
The wire, finer than human hair, has an insulating coat, so that many layers can be laid on top of each other. The whole surface is encapsulated to give a flat finish.

Next, a fine laser beam blasts tiny holes at each anchor point and these are metallised by a special process to give connections to any of the layers.

Finally, metallised pads, to which the components' connection pads can be soldered, are added to the upper surface.

A preview of the portrait

PROFESSIONAL portrait photography might take on a new lease of life with a product from Kodak which allows the sitter to see what the camera sees, just before exposure takes place.



WORTH WATCHING

Edited by Geoffrey Charlish

Sitter and photographer are thus able to experiment with profile angle, camera distance, lighting, facial expression and so on, because both can see the image on a 13-inch colour TV monitor.

Each time the photographer takes a shot, an identical image is captured by an electronic camera and stored on a two-inch magnetic disc. The system, called Prism, directs the light from the lens on to film and still video imaging surface at the same time, using a beam splitting device. A wide variety of cameras and lenses can be accommodated.

Photographers will be able to install another monitor in a sales area outside the studio. There, the sitter can review the shots and, Kodak believes, will be encouraged to order prints on the spot.

Raymond DeMottin, general manager of Eastman Kodak's professional photography division, thinks Prism "will change the way many portrait photographers do business. It's the immediate answer for today's customer who expects convenience and service."

Reading machine for the blind

BY PUTTING together text recognition and speech synthesis techniques, the US company Kurzweil is able to offer a reading machine to the blind and visually impaired.

It can scan almost any typeset or typewritten material, bound or in single sheets, and convert it into speech for headphones. Listening at 120 to 350 words a minute. There is even a choice of voices.

Kurzweil is mainly

concerned with commercial text reading equipment that will feed documents into the electronic stores of computers, obviating re-typing.

The new system should enable the blind to "read" such documents into other systems (personal computers, for example) and hear them at the same time. This should create opportunities for blind people in clerical, professional and managerial fields.

Called Personal Reader, the machine is a considerable software achievement in that most typesetters can be dealt with and then fed to the DECtalk speech synthesiser made by Digital Equipment.

In the least expensive (£7,500) version, the user moves a hand-held "mouse" across each line of type. A magnetic tracking unit makes sure that the mouse moves in a straight line. With an automatic page reader, the price is £10,000.

Filter for a heavy metal

MERCURY can be removed from plant exhaust gases and kept out of the atmosphere by using a new type of filter from Boliden Contech of Skelleftehamn in Sweden. Mercury, one of the heavy metals, can have long term toxic effects on humans.

Applications for the unit, which is called Seisfilter, range from metal refining to municipal waste incineration plants.

The filter is based on the strong affinity that mercury has for the element selenium, resulting in the formation of mercury selenide.

The unit consists of a cylindrical shell containing a porous, granular silica impregnated with selenium. This large, active surface of selenium is converted to the selenide quite slowly, says the company. During this time, its condition can be logged with a conventional instrument.

CONTACTS: MW Circuits: UK, 0232 534141; Kodak: UK office, 0442 51122; Sight and Sound Technology: UK, 0804 59701; Boliden Contech: Sweden, 919 7300.

## Novell and OS/2

### Another first from the Industry Leaders

The OS/2 operating system opens up exciting possibilities among corporate PC users for a networked environment.

Novell, the Industry Standard in PC Networking, with over 2.5 million users worldwide, is ahead of the field in releasing a product that exploits the potential of OS/2.

Novell NetWare Requester supports OS/2 as it supports DOS. If you would like to know more about your corporate options on OS/2 and to see it in action, Novell is running a half day seminar for corporate users and consultants on October 25th in London ECI. If you would like an invitation, complete the coupon below.

Name \_\_\_\_\_ Company \_\_\_\_\_  
 Position \_\_\_\_\_ Phone \_\_\_\_\_ FT 11/88  
 Address \_\_\_\_\_

# NOVELL

THE NETWORKING INDUSTRY STANDARD

Novell UK Ltd., Avon House, Sweetwell Road, Bracknell, BERKSHIRE RG12 1HN. Telephone (0344) 864040 Fax (0344) 862353/4.

## UK TREASURY BILLS IN ECU

**CL - ALEXANDERS DISCOUNT plc**  
in association with **Credit Lyonnais**  
is a market maker  
in UK ECU Treasury Bills.

For Market Making and Sales, please contact:

Mr WISE, CL - Alexanders Discount plc  
Tel: 01 626 54 54 - Reuters page ALEZ

Mr BLEASE, Credit Lyonnais, London branch  
Tel: 01 528 70 84

Mr PATARINI, Credit Lyonnais, treasury division  
Tel: (1) 42 95 43 07 (Paris)

**Credit Lyonnais,**  
a leading Bank in the ECU market.

**GRUPE CREDIT LYONNAIS**

## Horizon 2000

"The Search for Strategic Advantages from Payments Technology"  
6 - 9 December 1988 - Monte Carlo

KPMG (Klynveld Peat Marwick Goerdeler) looks forward to welcoming you at the  
13th Annual Payment Systems International Symposium

Continuing the tradition firmly established by PSI (Payment Systems, Inc), this year's Symposium will assemble the most qualified experts on the key issues impacting payments systems and technology, both today and in the decade ahead. During two full days of formal presentations as well as in debates and discussions our speakers will examine major issues from market, technology and strategy standpoints. Then, on the final morning, senior executives from financial services, commercial and technology companies will debate how top management should set about mastering the issues at stake. State-of-the-art equipment and systems will be presented by leading manufacturers at the concurrent exhibition.

All general sessions will be conducted simultaneously in English, French, Italian and Spanish.

Symposium package, including hotel accommodation FF 12 000  
Registrations date-stamped before 21 October 1988 qualify for an early rate of FF 9 700

**DONT MISS IT**

To register, or to receive further information, please contact us today in Brussels at:  
Fax: 32 (2) 513 9631 - Tel: 32 (2) 519 3711



A preposterous suggestion, you may say. Quite ludicrous. But before you dismiss it as pure fiction, consider the following facts.

The rate of information growth is doubling every five years. Currently, 6000 new scientific articles are published every week.

An explosion of facts and figures shattering the dreams of anyone hoping to become a Jack-of-all-trades. Indeed, being the master of just one is now a race where the finishing line keeps moving.

Skills and knowledge that may have taken years to acquire can be out of date almost overnight.

Think of the ship designers in the north-east who have had to turn their hand to designing oil rigs.

The plant breeders who have had their world turned upside down by the advent of genetic engineering.

The textile designers who have had their crayons replaced by computer keys.

Formal qualifications on their C.V.'s, though important, would have given little indication of their capacity to accept and adapt to change.

## WILL TODAY'S GRADUATE BE WEARING A DIFFERENT HAT IN THREE YEARS' TIME?

Of course, if we expect people to have a more flexible, adaptable outlook on work, we must also expect the same of their employers.

So companies must be prepared to do more than just give time off for occasional conferences. They must also allow time off to attend business schools and retraining courses. And maybe more.

Some companies do already. But should we follow the example of countries like Sweden where mid-career breaks of several years are not uncommon? In fact, is it time we reappraised our attitude towards career patterns entirely?

Traditionally, the long serving employee has been held up as the shining example. And, of course, many years of experience in a company can be invaluable.

But in today's fast changing world perhaps we should look more favourably on frequent job changes and regard them as the need to face fresh challenges.

That, in itself, is a challenge that business may soon have to face.

Indeed, in our view, training, or lack of it, is very often at the root of many companies' staffing difficulties.

Yet, sadly some firms still see training as a side issue when compared with, say, providing plant and finance.

According to the latest (1985) MSC figures, the average company spends a mere 0.15% of its turnover on training.

As for ourselves, this year training will cost us some 10% of our income. It's a sizeable sum. But it's one we would not spend unless we knew it would repay us fully in the years to come.

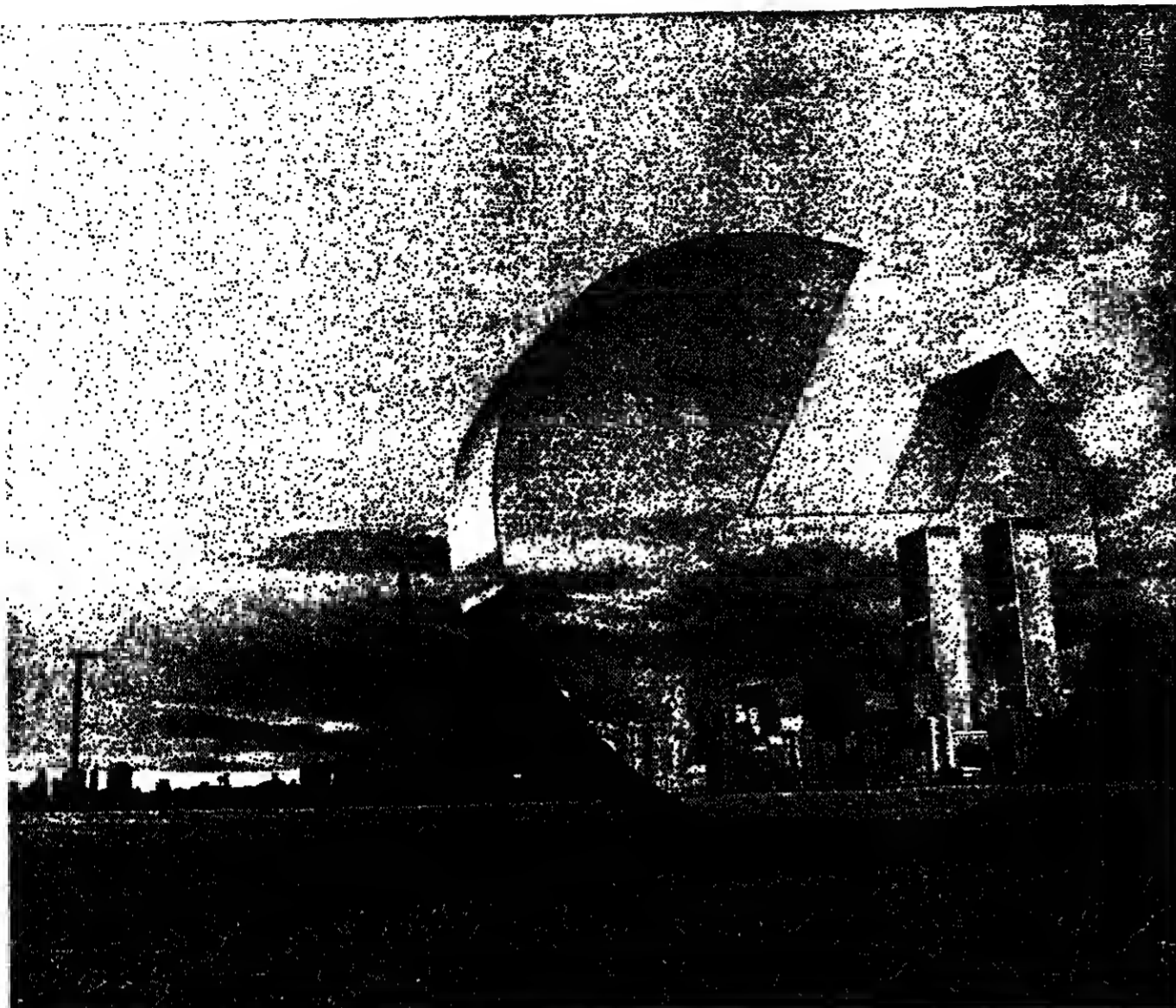
**E&W** Ernst & Whinney  
Accountants, Advisers, Consultants



**BUSINESS LAW**

**Polishing Drexel Burnham's toe-nails**

By Leo Herzl



Manhattan, view from New Jersey

By a large margin, the most important recent legal event in America is the Securities and Exchange Commission's civil complaint against Drexel Burnham Lambert, Inc. Michael Milken, Drexel's genius of junk bonds, three Drexel employees, and Victor Posner and his son are individual defendants. The case and the criminal indictment that is expected to follow soon will have many important direct and indirect effects on the securities industry and on several large law firms in New York and Washington.

The complaint is 184 pages long, with a multitude of causes of action, and is often numbingly prolix. Elegance in drafting has been sacrificed in favour of safety. Considering the very expensive and aggressive defences that are being prepared by the defendants, the SEC's decision is not hard to understand. The SEC is also very conscious of its educational function. To be plain, it wants to scare Wall Street and a long complaint with many causes of action and lots of detail helps to get that message across.

The main grievances are failures to make legally required filings to disclose beneficial ownership of securities, trading on insider information, conflicts of interest with customers and stock manipulations. In many instances, causes of action are multiplied by permutations of the same facts in the same transaction. Most, but not all, of the allegations involve transactions with Ivan Boesky. It is quite clear that a ferocious attack on his credibility will be a key factor in the defences.

The most puzzling aspect of the SEC complaint is that it was filed before the inevitable criminal indictment. Since the two proceedings will have to be co-ordinated, the likely result is that the SEC's civil proceeding will be stayed while the criminal case proceeds. The explanation for the SEC jumping ahead with its complaint is probably that it concluded that any more delay would strain its credibility and impair its regulatory and educational function.

Drexel's chief executive officer, Frederick H. Joseph, is not an individual defendant in the case. He has a lot at stake in the case personally, but only

derivatively through Drexel. Joseph was a champion boxer at Harvard College. A fighter, and born without a silver spoon, he clearly has the right temperament for litigation. Whether litigating rather than settling will be the best strategy for Drexel remains to be seen.

How bad are Drexel Burnham's troubles? The firm seems to be quite perky and combative. Money from the junk bond business still appears to be pouring in. The key problem for Drexel is a practical one that does not require a deep legal analysis for an answer. Drexel is litigating with the regulatory agency upon whom its existence depends. The SEC licenses broker-dealers, which is what Drexel and other investment bankers are. As a result, the SEC has the power to suspend or revoke the right of Drexel or any of its partners or employees to remain in the securities business. For these practical reasons, the situation for Drexel is unstable and there are pressures on it to settle. But any settlement acceptable to the SEC would probably require big changes at the firm, including changes in top management.

The defendants are being represented by the cream of the white-collar crime bar. Many of these lawyers have had experience as federal prosecutors before going into private practice.

Drexel is being represented by Irwin Schneiderman and Thomas F. Carnin, both of Cahill, Gordon & Reindel (a New York firm of 238 lawyers, 84 of them partners) and Peter E. Fleming, Jr. of Curtis, Mallet-Prevost, Colt & Mosie (a New York firm of 76 lawyers, 29 of them partners). Michael Milken is being represented by Arthur L. Liman, the Senate's chief counsel in the Iran-Contra hearings and Martin Fimbenbaum, both of Paul, Weiss, Finkind, Wharton & Garrison (a New York firm of 316 lawyers, 84 of them partners). Victor Posner is being represented by Vincent J. Fuller of Williams & Connolly (a Washington firm of 98 lawyers, 44 of them partners). Williams & Connolly, which specialises in litigation, supplied Brendan V. Sullivan, Jr., Colonel Oliver North's truculent lawyer in the

Iran-Contra hearings. Large law firms are required for the defence because of the tremendous amount of discovery and paperwork that will be involved in the SEC and criminal cases and the large number of related class actions and other private lawsuits.

However, only a few large law firms are capable of doing white-collar crime work. The training of lawyers who litigate at large firms does not usually include much courtroom trial work. The emphasis is on interminable discovery and pre-trial motions followed by settlement. Moreover, large law firms (and their clients) have had a snobbish bias against criminal work that is only just beginning to break down.

The benefits to the firms and the partners in charge of the cases are the obvious ones of highly valuable experience, publicity, glamour and large fees. The disadvantages are less obvious but also very important. For example, except for Williams & Connolly, these firms have conventional corporate and securities practices, in addition to litigation. How will the unavoidable fierce confrontations with the SEC affect their regular securities practices with the SEC for other clients?

The young lawyers who will work on the cases at these firms will have special career problems that add to the existing difficulty of becoming a

partner. Since no expense will be spared in these cases, the result will be lawyers spending large amounts of time on the organisation of evidence and discovery, and on legal points that will have little importance for their subsequent careers. They will be polishing the elephant's toe-nails.

Increasing use of paralegals and sophisticated data processing systems will reduce some of the organisational burden for these young lawyers. It is reported, for example, that Drexel Burnham has paid Arthur Andersen \$40m for developing a system that organises the 1.6m pages of documents requested by the US Government.

Because the work may be a dead end for young lawyers, the firms will probably have to hire some of them specially for the cases — for reasons of morale. Special bonuses will also probably have to be paid to them as inducements to begin and to stay on. This, for example, is what Cravath, Swaine & Moore did several years ago when it was defending IBM in the large anti-trust case brought by the Department of Justice to break it up. When the case ended, most of these young lawyers will be out of a job with only their law degrees and some very transaction-specific experience to sell.

The author is a partner in the Chicago law firm of Mayer Brown & Platt.

**No foreign market can be tapped from afar. Let's start at the heart.**

Without actually being on the scene, not even the astute observer of distant markets can always differentiate between cause and effect. In-depth insights into market dynamics evolve only from an active on-site presence. That is why DG BANK maintains its own branches in the world's key business centres. The benefit for our partners: timely

intelligence on new developments, enabling you to judiciously avert risks and capitalise on opportunities. Together you and we explore trade prospects, analyse your product's sales potential. We establish the vital contacts for you, and provide access to attractive new sources of capital. Head Office: DG BANK, P.O. Box 100651,

Am Platz der Republik, D-6000 Frankfurt am Main 1, Federal Republic of Germany, Telephone: (69) 74 47-01, Telex: 4 12 291, Telefax: (69) 74 47-3685/1688. Offices in: New York, Los Angeles, Atlanta, Rio de Janeiro, Hongkong, Singapore, Tokyo, Kuala Lumpur, London, Luxembourg, Zurich, Geneva, Budapest. The broadly based Bank.



**ARAB BANKING**

The Financial Times proposes to publish this survey on:

**17th October 1988**

For a full editorial synopsis and advertisement details, please contact:

Lorette Lecomte-Frecock  
on 01-248 8000 ext 3515

or write to her at:

Bracken House  
10 Cannon Street  
London  
EC4A 3DF

**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER



**THE FLOWER OF ENGLISH COUNTRY LIVING HAS ITS ROOTS IN WALES.**

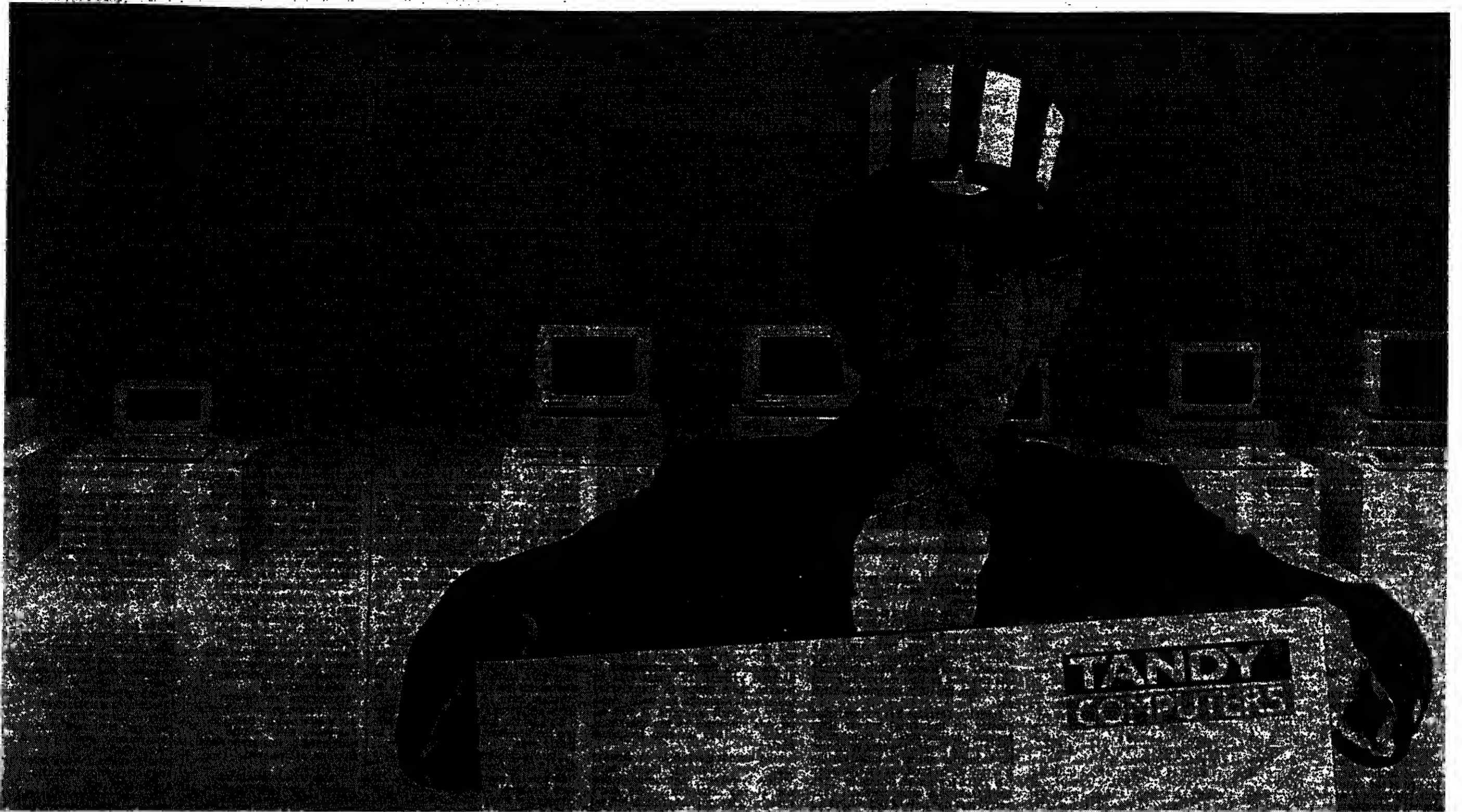
Nothing could be more typically English than Laura Ashley. Yet did you know that for the past 20 years, their head office and main factory complex have been firmly planted in Wales? So what makes so many companies decide to move west? It could be the fact that our overheads are substantially lower than elsewhere in the UK. Then there's the generous financial help that many companies have already taken advantage of. In fact, there's no shortage of available factory and office space either. Or of people willing to put their backs and their minds into your business. It all adds up to a formula that's already paid dividends for countless other companies, as well as Laura Ashley. So if you'd like your business to flourish, you know what to do. Plant it in Welsh soil.

For more information just contact Jill Leyshon on (0222) 222666 at the Welsh Development Agency.

**WALES**

**BRAVE NEW**





## THERE'S A TANDY COMPUTER FOR EVEN THE CHOOSIEST CUSTOMER.

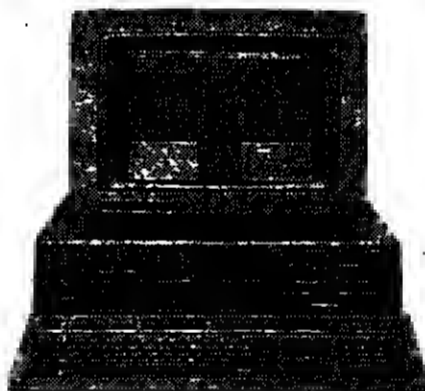
WITH NO FEWER than nine different computers, three screen options and six printers to choose from, everyone can find their



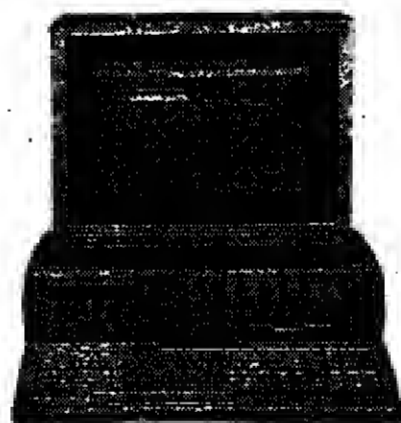
perfect system amongst the Tandy computer range. ■

LAST YEAR for example, the Americans were so impressed with the wide choice, they picked up over 600,000 Tandy PCs. ■

THEY FOUND our 4000 perfect for networking and desktop publishing, the 1000TX a great value all purpose workhorse, and the 1400 LT portable ideal for taking work home. ■



4000



1000TX



1400 LT

THE SAME range of MS-DOS computers, with their reputation for quality and reliability, is now available in the UK. ■

IF YOU'D like to see them for yourself, then come along to a Tandy Business Point Store, where we can also help you with applications software. ■

FOR DETAILS about the Tandy computer range, dial 100 and ask for **Freephone Tandy Computers.**

THEN NO MATTER how choosy you are, you'll know where to find **TANDY COMPUTERS** your next PC.

**NO.1 IN THE U.S.  
NOW IN THE U.K.**

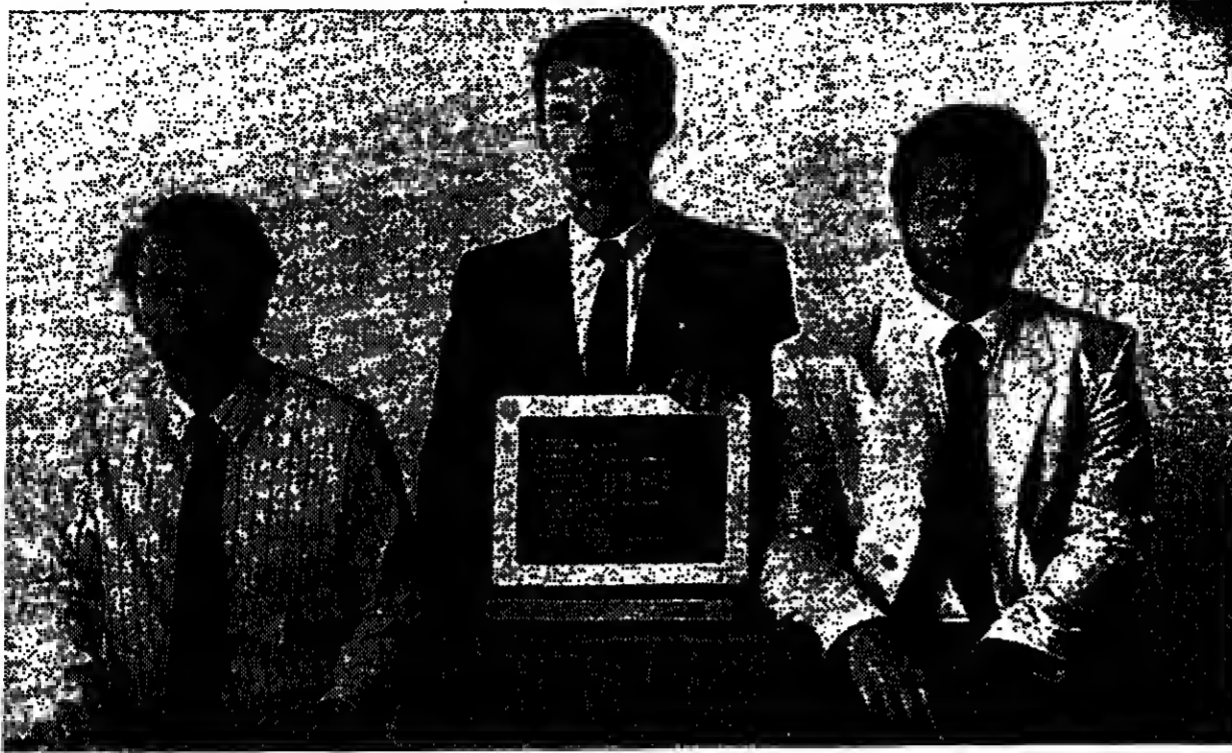


MANAGEMENT: Small Business

Aachen Technology Centre

A West German incubator

Andrew Fisher reports on a venture backed by the Technical University, the local savings bank and the city administration



Parsytec's founders (r to l): Gerhard Peise, Falk-Dietrich Kibler and Bernd Wolf, who left to pursue other interests

To historians, Aachen is the Roman spa which became the Emperor Charlemagne's imperial capital in the eighth century. Tourists know it as the site of one of West Germany's most fascinating cathedrals. To scientists, industrialists and students, it is the home of the Technical University, one of the largest in western Europe and the city's largest employer.

But to young entrepreneurs with a flair for invention, the north-west German city, near the border with Belgium and the Netherlands, means something quite different. Aachen, whose surrounding area faces severe job losses from coal mine closures, is the place which has given them the chance, and the funds, to try and make the tricky leap from technical inspiration to successful businessman.

The incubation site for their efforts is a former factory in the city. Smartened up and divided into offices and laboratories, it houses Aachen's Technology Centre, set up in 1984 to nurture new businesses before they are ready to move out into the harsh outside world. Nearly 40 companies have started up in the centre. Of these, 10 have developed far enough to strike out alone.

For an idea like the Technology Centre to succeed, wide support is needed. In Aachen, that has come from the Technical University, where most of the entrepreneurs studied, from the Stadtparkasse (local savings bank), which has provided special risk-tailored credits, and from the City Administration, local authorities and industry which have set up AGIT, the Aachen Gesellschaft für Innovation und Technologie Transfer.

As its name implies, AGIT's job is to encourage the transfer of technologies from universities and research bodies and help promote new companies. It runs the Technology Centre, where some 450 full- and part-time jobs have been created at the infant companies it has fostered. Together, their turnover exceeds DM 65m (\$30m). Around DM 20m of the start-up capital has come from Federal regional - Aachen is in the state of North Rhine Westphalia - and bank funds and another DM 20m or so from sources such as research and industrial contracts and money raised by the new company owners themselves, most of whom are in their 30s.

What sort of companies are they? To the layman, their activities seem somewhat arcane, based on production-oriented processes at the forefront of technology. Three typical start-ups at the centre are Parsytec, which has made a considerable international reputation in the field of advanced, high-performance computers; Head Acoustics, which has broken new ground in sound research and testing; and Cemo Coat, involved in special anti-corrosion, heat resistant and other coatings for industry and medicine.

All three of Parsytec's founders came from the Technical University. Now three years old, the company employs 31 people. Turnover in the financial year just ended was DM 5.2m compared with only DM 1.5m in 1987 and the goal for 1989 is at least DM 10m. "We decided we would make computers for complex tasks," says Gerhard Peise, 37, a general manager. "No-one believed we could do this."

With the aid of a DM 800,000 two-year grant from the Bonn Research Ministry under an innovation scheme now being discontinued, Parsytec developed its successful parallel processing computers. These allow complex problems to be solved or simulations to be made at a series of linked computer workstations.

A third of the company's turnover is for export and it has distributors throughout Europe and in Japan, the US, and Australia. "People came to us and asked if they could distribute our products," says Peise. The company based its parallel processing approach on the transporter, a highly adaptable microprocessor developed by Immos of the UK. Today, says Falk-Dietrich Kibler, Peise's partner - the third has left to pursue other interests - the parallel processing market is growing rapidly and Parsytec has to

keep pace. "If the market grows at 200 to 300 per cent a year, then we have to do the same."

Thus it has set up a new majority-owned subsidiary in the US to sell its products and also keep an eye on developments there. "We don't only want to export German technology abroad," says Kibler. While Germany has the lead in this market segment at present, the US is expected to catch up.

Initially, Parsytec has concentrated mostly on industrial rather than research applications. Its debut product was the Target, the first computer for industrial use to be based on the transporter. Its products cost, between DM 13,000 for add-on boards for IBM, Macintosh, and other personal computers and upwards of DM 500,000 for its new Megaframe Supercluster, which takes parallel processing capacity towards the range of supercomputers - expensive number-crunchers increasingly used in industry.

Like other companies in the Technology Centre, Parsytec ploughs most of its revenues back into its operations and development. "We want to grow very strongly, so we can

meet the demands for our products," comments Peise. Another similarity with its fellow start-ups is its strong links with the Technical University.

"Having Aachen as a business location is a huge advantage," enthuses the Parsytec manager and co-owner. The university has played a key role in promoting fledgling companies. It decided around 10 years ago to become more active in transferring technologies outside its walls, especially to small concerns. It was all projects submitted by the Sparcassee, which also has its own technical adviser.

"We encourage people to develop their own technology ideas," says Walter Eversheim, engineering professor at the university. "We don't exactly kick them out of here, but we say they should leave the university and start their own businesses."

Klaus Gernit, 36, is such an example. With an impressive academic pedigree - he has degrees in electrical engineering and business administration - he set up Head Acoustics two years ago with capital of DM 2.1m. Of this, he raised DM 100,000 himself, the rest coming from Government and

banking sources. This year, he hopes for turnover of some DM 2.3m, rising to DM 4m in 1989. "I realised that industry had problems it couldn't solve," he says of his decision to start Head, which now has 25 full- and part-time employees. One major customer for its unique bimural measurement devices is Daimler-Benz.

In brief...

A Technology Open Day is being held by the Calderdale Business Innovation Centre at the Dean Clough Industrial Park in Halifax, Yorkshire on Thursday. The event is aimed at small and medium sized firms which want to take advantage of new technology. There will be opportunities for those attending to meet EC technology transfer specialists from Belgium, France, the Netherlands and Spain and to discuss trade links with foreign firms known to the specialists.

The Calderdale Metropolitan Borough was the first local authority in the UK to establish a business innovation centre in the Brussels-European Business and Innovation Centre Network (EBIN). One of the two entrepreneurs who will discuss the importance of technology transfer on Thursday at the open day will be John Wright, founder and chairman of a Leeds-based Halifax-based manufacturer of epoxy resin and compounds used for factory floor coverings. Wright was featured on this page on June 23 and has a technology transfer deal with Unipiro, a Dutch manufacturer of flooring and compounds and adhesives based in Heaksbergen, near Enschede.

The push which brought the two companies together was provided, for Resdev, by the Calderdale EIC and, for Unipiro, by the Bedrijfs Technologisch Centrum-Twente, a four-year-old EIC based on a business and science park in Enschede.

The London Enterprise Agency has just launched a new directory designed to provide a step-by-step guide to people who want to set up their own business. Called "Getting Started", the directory is a mixture of interrogation ("Are you prepared to undertake any task, however menial?") and information on the organisations and agencies that will provide help and encouragement. The sections cover such areas as assessing whether you are really in the right business, how to access the market, finance, selling and marketing, training and premises. The directory is available from LEA, A Snow Hill, London EC1 2BS. Tel: 01-258 3000.

The database covers engineering and materials products and services and lists key information about companies registered with AMT's service. AMT will work with a manufacturer or principal to ascertain what sort of sales outlet is most appropriate, not only for establish international sales but also domestic sales.

Further information from Lynne Fitzpatrick at AMT on 0780 65680.

An original and commercially viable business idea could win a student or group of students (including staff-formers) a first prize of £2,000 in the fourth annual Innovation for Business Award.

Previous finalists have invented an smirkyphone system, a reverse gear for a motorcycle and a method of breeding rag worms for anglers. A total of £4,500 in prize money is on offer.

Contact Adrian Black, Tels & Lyfe, Sugar Quay, Lower Thames Street, London EC3. Tel 01 626 6625.

A one-day conference focusing on the needs and problems of small and medium sized firms trading in Europe will be held on Thursday this week at the Humberdale Business School, Hull.

The conference, in Business, in Europe, costs £25 and will include evening workshops on subjects such as customs planning and export documentation.

Contact Dr Jill Preston, Humberdale Business School, Cottingham Road, Hull HU8 7RT. Tel 0482 41451.

The London Enterprise Agency has just launched a new directory designed to provide a step-by-step guide to people who want to set up their own business. Called "Getting Started", the directory is a mixture of interrogation ("Are you prepared to undertake any task, however menial?") and information on the organisations and agencies that will provide help and encouragement. The sections cover such areas as assessing whether you are really in the right business, how to access the market, finance, selling and marketing, training and premises. The directory is available from LEA, A Snow Hill, London EC1 2BS. Tel: 01-258 3000.

BUSINESS OPPORTUNITIES

Leading Scandinavian manufacturer of kitchen units, bathroom units and wardrobes is looking for **DEALERS IN THE UK**. We offer a wide range of high-quality products at attractive price. Early delivery and guaranteed, large production capacity. In 1989, we are expanding our product range to include K.D. furniture. Please reply today so that our sales manager for the UK can contact you to discuss early cooperation. Write Box H3940, Financial Times, 10 Cannon Street, London EC4P 4BY

**Units in West End**  
Transfer of Tom Stoppard's play 'Artist Descending a Staircase' Parishcraft Ltd (Richard Blech) 01-226 0364. This advert has been approved by a firm regulated in the conduct of investment business by the law Society.

MANAGEMENT AND INVESTMENT OPPORTUNITIES

We offer a new concept in business acquisition. If you have funds to invest, particularly if you are also seeking a management position, please write to: **Management Participation Consortium Ltd, 8 Bank Street, Lincoln LN2 1DZ or phone 0522 510870 for an information pack**

**CONFIRMING HOUSE FACILITIES AVAILABLE FOR USA/CANADIAN/EEC IMPORTERS**. CONFIRMING HOUSE FACILITIES available for import of goods from any part of the world. Write Box F8496, Financial Times, 10 Cannon Street, London EC4P 4BY

A long established and **PROFITABLE PRINTING Co.** based in Ireland and entitled to major tax exemptions wishes to enter discussions with a U.K. print firm or successful U.K. publisher with a view to organising a dynamic joint venture operation. Write Box F8499, Financial Times, 10 Cannon Street, London EC4P 4BY

**FOR SALE RETAIL FASHION COMPANY + 2 SHOPS** LONDON BASED PRESTIGIOUS INTERNATIONAL NAME U.K. FRANCHISE RIGHTS, PROPERTIES, AND STOCK AS A GOING CONCERN. 61 491 394 (SEEK M.B.)

**CLEAN LIMITED COMPANY** Has earned profits from one transaction in kind of £2.1 million for the year ended 30 June 1989. All assets are in cash, and will possibly be of interest to quoted plc seeking funds, perhaps with losses to set off. Enquiries and ideas please. Write Box No F8492, Financial Times, 10 Cannon Street, London, EC4P 4BY.

**INTERNATIONAL COMPANY SERVICES LTD** Incorporate and manage companies in: UK, Isle of Man, Gibraltar, Turks, Jamaica, Channel Islands, Panama, Belize, Costa Rica, etc. and provide full secretarial and account services. Brokers and details of full range of services from our headquarters: 200 Broad Street, London W1P 9JQ. Tel: (01-463) 28000 Fax: (01-463) 28988 Telex: 020255 ICSLGB G London representative: International Company Services (UK) Ltd, Broad Street House, 200 Broad Street, London W1P. Tel: 01-463 4244 Fax: 01-463 0825 Telex: 28247 ICSLGB G

**WANT TO SELL IN CANADA?** If you have good quality products that have been already tested elsewhere, Levison Incorporated, has sales representatives across Canada and Eastern U.S.A. Kindly write, attention: Andrew Warlop. PO Box 296, Station Brasseur, Brasseur, Quebec, Canada J4Z 3J2 or Telex: 055-51811 (MAGSECT) or Call (514) 888 6751.

**PROPERTY GROUP** With net assets of around £7 million and chargeable profits this year of £2 million, the group is interested in discussing amalgamation or reverse with quoted plc. Profits year end is 30 June 1989, therefore company with offsetable losses could be of interest. Write Box No F8493, Financial Times, 10 Cannon Street, London, EC4P 4BY.

**HARD TO BORROW?** GUARANTEES PROVIDED. We do not make loans Minimum \$100,000 5-20 Years THE FUNDING ASSISTANCE CORP USA 212 755-9400 Tlx: (910) 290 0699 (FUNDING ASSIST UG) Fax: (212) 755-7339

**ARE YOU PLANNING AHEAD FOR 1992?** Public Relations Consultant with established business press contacts in France, Belgium and the Republic of Ireland is interested in leading team companies seeking to promote their brand image and products in these countries. Write Box F8495, Financial Times, 10 Cannon Street, London, EC4P 4BY

**Established 1945 The oldest & largest manufacturer in India of air & gas compressors upto 1200 h.p. for standard & process applications diesel screw compressors upto 1000 cfm. Invites dealers from the U.K. and Europe for representation in their areas. We offer international quality and most competitive prices. Contact: Managing Director K.G. KHOSLA COMPRESSORS LTD. 1, Deshbandhu Gupta Road, New Delhi-110 055 (India) Telex: 031-66263, 031-66029 GK IN**

**Knight Frank & Rutley**  
On the instructions of Velcourt Group plc  
**Lincolnshire - About 880 acres**  
An outstanding arable farm (Grade II) with vacant possession available for sale to an investor subject to a management contract with Velcourt Group plc  
Budget return about 5%  
Exceptional investment opportunity for roll over funds Family trust and serious investors (PRC/31/20463)  
Joint Sole Agents: Bernard Thorpe Cheltenham Tel: 0242 239202  
London 01-629 8171 20 Hanover Square, London W1R 0AH

**UNIQUE FORKTRUCKS** Well established manufacturer of materials handling equipment is consolidating its activities to other market areas and consequently has available for sale full manufacturing drawings, jigs & fixtures of range of specialist forklift trucks. Machines are for outdoor use in the 4-12 tonne capacity range, and some models are specially designed for long load handling. The range of machines offered are all in current production and fully proven by international customers to be of multinational and world class quality. Access to all supplier and customer base could also be made available. This offer is a unique opportunity to shortcut years of development and knowhow. Write Box F8424, Financial Times, 10 Cannon Street, London EC4P 4BY

**RAISING VENTURE CAPITAL?** Data-base search service available to all those seeking information on VENTURE/DEVELOPMENT CAPITAL INVESTORS. COMPUTERISED ANALYSIS ensures only the most appropriate sources are selected. IN DEPTH PROFILES held on over 200 investment organisations. Information includes specific current investment preferences and criteria. For more information telephone Mrs C. Mayor, Levy Gos Corporate Finance Ltd, 100 Chalk Farm Road, London NW1 8EH, 01-267 4477

**SENATOR INTERNATIONAL** is a private group manufacturing and distributing office seating and systems furniture. As part of a major expansion programme we seek to acquire complementary businesses with sales in excess of £1m and growth potential, preferably retaining existing management. Interested principals only contact: J. Branson, 5, Finance House, Senator International Ltd, Messicot Industrial Estate, Accrington Lancashire BB6 8NA Telephone: 05254 67292

**ATTENTION MORTGAGE BROKERS** as principal **COMMERCIAL ACCEPTANCE LTD** offer: 1 Non-estate bridging facilities to Brokers 2 Same day decision 3 Commissions paid with the advance 4 All enquiries over £25K welcome. **COMMERCIAL ACCEPTANCES LTD** 286 Grove End Road, London NW9 9PP Tel: 01-295 3529 Telex: 21699 G Fax: 01-295 3280

**ENGINEERING DIRECTORSHIP** A major opportunity offering substantial equity. A Cheshire based profitable £7m+MBO business has a unique opening for a fully qualified and highly experienced engineer to lead the design and development of its products. If you have experience in the design of equipment and systems for the process industries, preferably food or pharmaceutical. Please ring Chris Brooks of MSL International. 061 834 2425, for further details.

Practitioners in Advertising Other services to companies who are advertising their products. Ring from 01 725 1150 or Fax 01 461 0728. John Hester Ltd.

YOUR SERVICE OFFICE Fully equip. best area. Tel: 08992287, fax: 08992288. CONSULTANTS All fields req'd to advise 20,000 small business members 01 836 6002



BUSINESS OPPORTUNITIES

We are a worldwide active TRADING ORGANIZATION having long term experience and own subsidiaries in Nigeria with excellent connections to the African Market...

FINANCE YOUR STOCK We offer a unique stock finance facility to manufacturers and merchants and are seeking to expand our client base...

DEVELOPMENT CAPITAL Appleton Holdings Plc wishes to hear from profitable private companies requiring capital to realise their full potential.

U.S. MARKETING/WAREHOUSING/DISTRIBUTION Aggressive distributor of specialty building materials could be your U.S. base of operations...

Expanding Company specialising in activity and educational courses for children wishes to purchase or co-operate with complementary language school/private school.

£30,000 required A proven High Tech Global Information company with tested product is seeking further capital for expansion overseas.

VENTURE CAPITAL DIRECTOR available part time to assist growing companies find new sources of capital.

AUSTRALIA Consultant available to assist companies wishing to do business in Australia. Special assignments etc.

£100,000 Required A company offering a proven psychological testing product is seeking further capital for domestic and overseas expansion.

Spain If you have a genuine new product, system or technique Contact us Angle Iberia Technical Supply S.A. James Ramon Jimenez...

LOOKING FOR A BUSINESS? If you want to buy or back a business Venture Capital Report gives details of 430 specific opportunities in 150 countries.

Establish or purchase further in the French market? Whatever your target, our Franco-British network can assist you, from securing the right person to finding the answers to your accounts, sporting systems, legal, marketing questions...

TO LET East London car showroom, workshops and forecourt. MOT, European franchise selling approximately 300 new vehicles p.a. used. Suitable premises and rent required.

MORTGAGES On Commercial & Industrial Properties at prime rates 5/10 years. Interest only. Minimum loan £250,000.

QUALIFIED ACCOUNTANT With wide business experience, particularly management & computer consultancy, is available for interesting assignments.

BUSINESSES FOR SALE

Smallman Construction Limited (In administration)

Established fast growing steelwork contracting business based in Basildon, Essex and the Isle of Sheppey in Kent. Specialists in multi million pound steelwork erection contracts.

For further information contact the Joint Administrators: Stephen J.L. Adamson, CA and Margaret E. Mills, ACA, Arthur Young, Rolls House, 7 Rolls Buildings, Fother Lane, London EC2A 1NH.

Arthur Young

A MEMBER OF ARTHUR YOUNG INTERNATIONAL. Authorized by The Institute of Chartered Accountants in England and Wales to carry out investment business.

NORTHERN BASED CPN CHAIN 32 Shops. All prime sites. T/O in excess of £25M. Preliminary details to named principals only.

FOR SALE 63% Holding in fully listed PLC. Market capitalization approximately £12M. Trading very profitably.

COVENT GARDEN Retail operation for sale as going concern. Established reputation in specialist market but eminently suited to other retail uses.

Business for Sale SMALL UNISYS MAINFRAME BUREAU BUSINESS FOR SALE TURNOVER APPROX 400K PER ANNUM

CIVIL ENGINEERING SPECIALIST PILING CONTRACTING COMPANY For Sale Established 20 years. Multi-million turnover. Good profit record.

For Sale Bentley's THE BUSINESS OF BENTLEY'S OF PICCADILLY PLC AND SUBSIDIARIES (IN ADMINISTRATIVE RECEIVERSHIP) Bentley's Café Leire Le Routier Café Burgundy Café Berdeaux OODLES MACARTHURS DINGWALLS DANCE HALL

The group is a leading operator of theme restaurants. The restaurants are continuing to operate from prime locations and offers are sought by the joint administrative receivers for

their acquisition as a going concern. For further details please contact the Joint Administrative Receivers J.P. Richards or A.R. Houghton on (01) 405 8799.

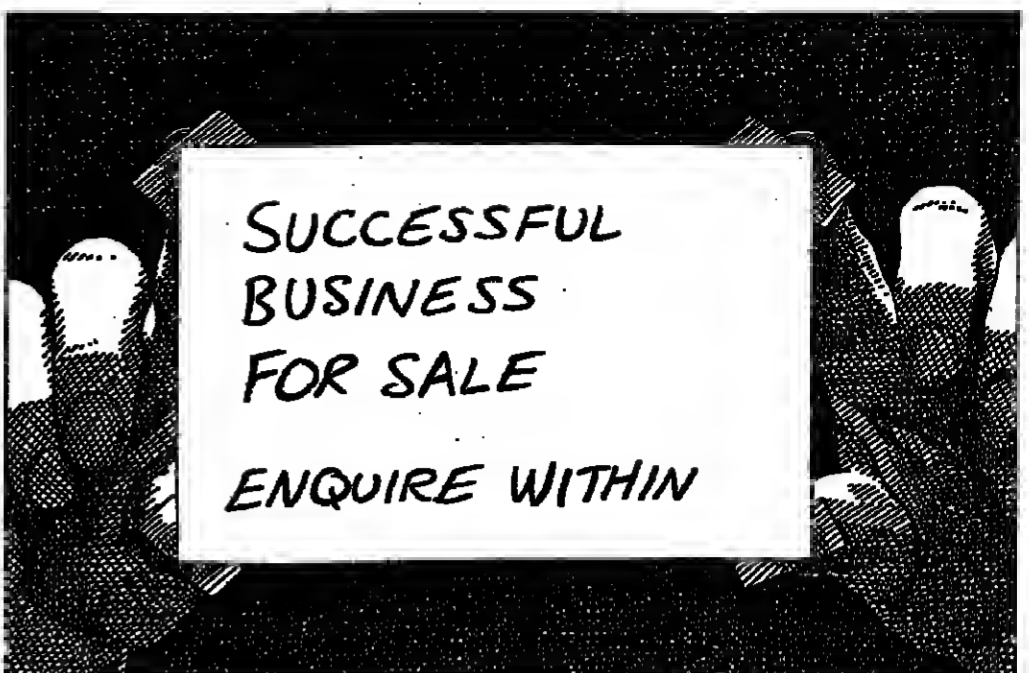
Touche Ross 33-34 Chancery Lane, London WC2A 1EW. Tel: 01-405 8799. The 261296 TRICHAN G. Fax: 01-831 2628.

LIMELEAD LIMITED In Administrative Receivership Offers are invited for the business and assets of Limelead Limited which trades as sub-contract precision light engineers, specialising in batch production for the automotive industry.

SALMON CHARLES & PARTNERS 472 Eastern Avenue, Gants Hill, Essex MULTIPLE COMPANY OWNED NEWSAGENTS, CONFECTIONERS & TABACCONISTS

HUNTLEY & PARTNERS RESIDENTIAL HOME CURRENTLY REGISTERED FOR 36 (POSS 40). Superb seaside postn. in popular S. coast resort.

WELL KNOWN PRIVATE COMPANY FOR SALE This highly profitable business has an annual T/O of £3 million. The Company manufactures writing instruments and has a well-developed market share in the national stationery trade.



SUCCESSFUL BUSINESS FOR SALE ENQUIRE WITHIN AVOID MAKING THIS MISTAKE. Selling a successful business successfully is more complicated than it looks. What is a reasonable price? How do you get access to the widest range of possible buyers? What about confidentiality? Can the transaction be structured in a way to minimise your tax liabilities? The answers to these and many other questions can be supplied

Hydraulic Fittings Manufacturers The assets and undertaking of BOJ Light Engineering (Holdings) Ltd, Abbeyways Engineers Ltd and Spartan Hydraulics Ltd are offered for sale as a going concern.

CLOTHING MANUFACTURER Redruth, Cornwall The business and assets of South West Leisure Products Limited are offered for sale. The Company is engaged in the manufacture of swimwear and other leisure clothing.

BUSINESSES FOR SALE We have been instructed to offer for sale the following businesses. DOUBLE GLAZING COMPANY Established 8 years located Humberstone/South Yorkshire area. Turnover 1.2 million. Profits before Directors remuneration £170,000.

FOR SALE INTERNATIONAL MOTOR RACING TEAM Official Single Seater Formula 3000 Team linked to Major Racing Car Manufacturer. Excellent Potential for Step Up to Grand Prix Formula 1 World Championship racing.

BUSINESS SERVICES

1992 COMING TO BELGIUM Let us help you. We provide a complete service for small/medium companies who wish to establish offices in Belgium.

INDEPENDENT ADVICE ON PROPERTIES AND PREMISES From co-ordinators of construction company.

Looking For Something Special? We export, no orders are too small or too large.

UK and International Isle of Man & Non-Resident EXPRESS COMPANY RESTRUCTURING LIMITED

BUSINESS CENTRE, LONDON W1 (Close to City). Conference room, office suites, secretarial services, telephones, photocopying, accommodation/business address. Tel: 225 6581 or Fax: 225 7820

DEBURY BAIL LISTS & SERVICES 100% of ready-made lists immediately available. Suppliers to leading UK companies. Free Services: Market research, Financial, Chartered, Business. Tel: 0208 708711

BUSINESSES WANTED

EMPLOYMENT AGENCIES Our client, a listed public company, is willing to pay top prices to acquire employment and recruitment agencies with the following profile: - Functional and management structure independent of proprietors.

Vertical text on the left margin: The database covers... HARD TO BORROW...



BUSINESSES FOR SALE

CHRISTIE & CO

High Class Supermarket, London area. Positioned in busy road. Takings £14,000 pw. GP 32%.

Company Supermarket, Exclous. London area. High class set up. Mngmt run. Takings £14,000 pw.

City of London Head lease with investment. Comprising famous Fine Wine, Cigar, Tobacc Merchants.

L/hld £225,000. Ref: 8/9387/FT

MAGAZINE FOR SALE

5 year old monthly trade Magazine for sale. Produced for established market place.

Applicants should write to:

Craig Lewis Watson & Co 34 Bristol Gardens London W.9

Humberts Leisure

South East Cornwall Famous national coarse fishing centre with planning consent for holiday village.

Lot 1: 3 well stocked coarse fishing lakes, trout lake, licensed clubhouse, 40 serviced touring caravan pitches.

For Sale Freehold. Humberts & Co 14 Fore Street, Yeovil, Somerset, PL2 2JN

Leisure industry, Hotels and Licensed Property Consultants

U.S. Acquisition Opportunity

APPAREL IMPORTER & WHOLESALE. Market Leader. Over \$30.0 Million in Revenue (U.S.)

FOR SALE

IMPORTER AND DISTRIBUTION COMPANY IN HOUSEWARES AND INDUSTRIAL PACKAGING

ENGINEERING COMPANY

Established company manufacturing precision components and assemblies with extensive design and manufacturing capabilities.

CURTAIN, WALLING MANUFACTURER

Highly competitive European walling manufacturer with long export record. Available for sale as going concern.

DIVERCO Sell Companies Nationwide

BUILDING PRODUCTS

Long established Texas building products center for sale. Retail and wholesale lumber and hardware.

COAL MINE SOUTH WALES

Two adjacent licensed coal mines in Vale of Neath, with many years reserves, available for sale.

U.S. Acquisition Opportunity

DIY HOME CENTRE. Founded in 1953. \$18.0 Million Turnover (U.S.)

WHOLESALE BAKERY FOR SALE

Producing all range of bread items, morning goods, Confectionery, celebration cakes and savouries.

Compact, well equipped, well run typesetters

with freehold premises. Good staff and excellent clientele.

MAIL ORDER

Specialist mail order company for sale T/O £600,000 p.a.

Name Plate Manufacturer

Based in Sussex Annual Turnover approximately £250,000 +

£126,000 - GRANT

Untraded company holds ROG offer of £126,000 for job creation in a proposed new clothing manufacturing unit in a Development Area.

CHOCOLATIERS FOR SALE

Established chain of 4 high class chocolatiers. Good locations in prosperous towns in Gloucestershire, Wiltshire, and Avon.

PLANT HIRE Co. for sale

Earthworking mech. (operated) Midlands. Pre-tax profit £425,000

FOR SALE

ABTA TRAVEL AGENCY BUSINESS. TWO Retail Shops in Mid Cheshire

FOR SALE

Major tube manipulating company. T/O £1.2M. est. 15 years. Sale due to retirement of principals.

FOR SALE

Commercial Electrical Contractor. Requires relocation North or East London. Management continuity.

FOR SALE

Geophysical Company. West Sussex, 50 acre suitable company site. 1000 sq ft house, health care or hotel. £1.4 million.

FOR SALE

On the instruction of R.E. Betts, FCA of Grant Thornton Administrative Receiver of Securities Continental Investments Ltd, previously trading as

STRANDICS

The assets of this major kitchen and bedroom furniture manufacturer comprising the freehold property at Sheffield Road, Rotherham.

COVENT GARDEN

Retail operation for sale as going concern. Established reputation in specialist market but eminently suited to other retail uses.

Cornwall Registered insurance brokerage

with 2 fresh high SI offices. Motor and general with large building society agency. Gross profit/turnover approx £1m approx.

FOR SALE

Proprietor retiring from successful metal fabrication/coatings business in the S.E. Turnover approx £1m and profitable.

FOR SALE

Office equipment company in East London. T/O £1m+ and expanding highly reputable company established over 30 years.

FOR SALE

Long established joinery contracting business, situated in the heart of Yorkshire.

S.E. ENGLAND

Truly showpiece, dual reg motorway car home in rural S.E. Victoria postcard property in 1 1/2 acres. Reg for 36. Beautifully fitted and equipped.

YORKSHIRE STAFF AGENCY

Old established staff/temp bureau for sale. Low overheads and high turnover/profit from strong temp plus perm placements.

AIR CHARTER COMPANY FOR SALE

complete with pressurised aircraft. Based East Anglia. For details: Write Box H3929, Financial Times, 10 Cannon Street, London EC4P 4BY

For Sale

Commercial Electrical Contractor. Requires relocation North or East London. Management continuity.

BULK FOOD WAREHOUSE

Currently trading. Asset sale. Stock at valuation. Telephone 01-326 1707

BUSINESSES WANTED

WANTED

CONSUMER PRODUCTS MANUFACTURER/DISTRIBUTION COMPANY AND MANUFACTURERS OF PLASTIC PRODUCTS (CONTRACT AND BRANDED)

We are a small USM listed company which wishes to diversify into the above areas. We are seeking companies making profits before tax of between £500,000 and £1 million

Portfolio purchase - acquisitions

Have you considered selling your receivables? We are part of a major international financial services group.

GREENWOOD SAVINGS & LOANS

Who operates a home collection service from 65 branches throughout the U.K. are expanding in the T.V. & Video rental business and are seeking to purchase companies who are operating in this market.

BUSINESS WANTED FOR CASH

Successful businessman who has recently sold his highly profitable business seeks to acquire a new interest.

COMPANY DIRECTOR - AGED 52

With management, financial and selling experience in both family and international companies seeks small manufacturing business in London or Home Counties with view to purchase or partnership.

FILM/VIDEO FACILITIES

Established broadcast standard facilities company in any sector of production sought.

A private overseas trading company with substantial funds wishes to invest in a U.K. Real Estate Agency preferably in London and the home counties.

PROPERTY COMPANIES WANTED

Holding or Trading with low book values and high CGT liabilities from £500,000-20 million. Agents retained.

MICRO COMPUTER DEALER WANTED

BUSINESS SYSTEMS. Preferably London or South East. Any size of company considered. Reply in confidence.

MANAGEMENT COURSES

Study at home for an MBA Degree

GIVE YOUR CAREER A REAL BOOST WITH A MASTER IN BUSINESS ADMINISTRATION DEGREE FROM DURHAM UNIVERSITY.

Course developed by Durham University and RRC Open Learning. Complete programme of study with all materials and assignments provided by RRC.

THE POLYTECHNIC OF CENTRAL LONDON

Faculty of Communication Short Courses. Desktop Publishing using Apple Macintosh/Alphas PageMaker DTP system 29/30 October 1988

OFFICE EQUIPMENT

LARGE QUANTITY OF NEARLY NEW EX-HIRE OFFICE FURNITURE. Light Oak Desks/Boardroom tables & Chairs/Screens/Tables/Rosewood desks/Executive chairs and Fire Resistant Filing Cabinets.

HOTELS & LICENSED PREMISES

Town Centre Hotel Scotland. Unique opportunity to purchase premier coastal town centre hotel.

NORTH YORKSHIRE-DURHAM BORDER

Period Country House Hotel, 15 ensuite bedrooms, owners apartment, 4 acres, 3 STAR, Egon ronay recommended. Region £600,000.

CONFERENCES

EUROPE 1992 MEETING THE CHALLENGE OF THE SINGLE MARKET. A conference for Directors and Senior Executives at the Albany Hotel, Nottingham Wednesday, 9th November 1988

LEGIONNAIRES' DISEASE

Are you managing your building water systems properly? Find out at a one day seminar run by the London School of Hygiene and Tropical Medicine on October 18th.

PLANT & MACHINERY

COMPLETE AUTOMATIVE SHEET METAL PRESS LINES

2 line comprising 1 D/A Clamping 900 ton, 9' x 48" bed and 4 S/A Clamping 400 ton, 9' x 48" bed. Price £98,000 each.

SEMINARS

U. S. INVESTMENT BROKERS, INC. SPONSORS A SEMINAR ON "FLORIDA INVESTMENT, BUSINESS AND REAL ESTATE OPPORTUNITIES" AT THE U.S. INTERNATIONAL MARKETING CENTRE.

BUSINESSES FOR SALE

ELECTRICAL CONTRACTOR

Offers invited for the assignment of contracts operated by the above. Mainly work on Daywork Term contracts for P.S.A.

PORTSMOUTH AREA

Apply to the Receiver J.E. Macmillan, Grant Thornton, Enterprise House, Isambard Brunel Road, Portsmouth, PO1 2RZ. Telephone 0705 753175. Fax 0705 625336.

ASHMARK LIMITED (IN VOLUNTARY LIQUIDATION) "THOR"

The Liquidator of Ashmark Limited (In voluntary liquidation) is offering for sale the Company's interest in the trade mark "THOR" and subsidiary trade marks, including trade marks registered in the U.K.

US COMPANIES FOR SALE

Cable television installation, Savings & Loan (\$60 mill. assets), Financial services/management consulting co, Bank (\$25 mill. assets), Steel products (M), Plastics (M), Polyurethane (M), Electronics (D), Electrical supplies (D), Metal treatment formulations (M/D), Aerial ground equipment (M), Auto/truck acc (D), Food (D), Pharmaceuticals (D), Equipment leasing.

FRANCHISING

EUROPEAN LICENCES FOR SALE IN FABRIC PROTECTOR

Fiber Seal markets a protection system for fabrics and soft furnishings through architects, specifiers and interior designers. Clients include major hotel groups, banks and insurance companies.

ACCOUNTANCY

The Financial Times proposes to publish this survey on 18th November 1988. For a full editorial synopsis and advertisement details please contact: Jacqueline Keegan on 01-248-9000 ext 3740

ACCOUNTANCY

The Financial Times proposes to publish this survey on 18th November 1988. For a full editorial synopsis and advertisement details please contact: Jacqueline Keegan on 01-248-9000 ext 3740

ACCOUNTANCY

The Financial Times proposes to publish this survey on 18th November 1988. For a full editorial synopsis and advertisement details please contact: Jacqueline Keegan on 01-248-9000 ext 3740



ARTS

Fischer-Dieskau - William Packer reports on '100 years of British Art' in Leeds

ELIZABETH HALL. On Sunday District Fischer-Dieskau devoted his Leeds recital with Hartmut Hill to Schumann...

Painters put in perspective

The idea of celebrating a gallery's centenary by showing a work piece for each of its years is so stout a peg on which to hang an exhibition that one is surprised it has not been more often used. 100 Years of British Art (until January 15) sponsored by Barclays Bank...



'A Game of Patience,' 1937, by Meredith Frampton

During his last Leeds rounds here, one remarked a new attraction to whimsically 'dark' songs. Sunday's programme, which juxtaposed earlier and later Schumann to highly suggestive effect...

Peer Gynt

GATE THEATRE, DUBLIN. This year's Dublin Festival is certainly one to remember, and chiefly for the magnificent double contribution of Frank McGuinness...

Maxwell Davies Trumpet Concerto

FESTIVAL HALL. Peter Maxwell Davies's most recent concerto was written on commission for the Philharmonic Orchestra, and specifically for its first trumpeter, John Wallace...

David Murray

Branagh's Henry V. Kenneth Branagh is to follow in Lord Olivier's footsteps and direct the production of William Shakespeare's Henry V...

Bournemouth Symphony Orchestra

FESTIVAL HALL. The Bournemouth Symphony Orchestra has a new Principal Conductor and its programme at the Festival Hall on Saturday was largely designed to show him off to the London public...

Arts Guide

Opera and Ballet London. Royal Opera, Covent Garden. The new production of Wagner's Rheingold is by Yuri Lyubimov, conducted by Bernard Haitink...

New York. New York City Opera (State Theatre, Lincoln Center). The week features Jay Bybee's Parsifal, which was commissioned by the company...

It's a pleasure doing business when you fly Cityclass. Because you'll enjoy the journey. No queues, punctual departure, punctual arrival. CITYCLASS TO PARIS FROM THE LONDON CITY AIRPORT SEVEN TIMES A DAY FIVE DAYS A WEEK. The secret's out. Brymon

October 7-13

Chicago. Lyric Opera (Civic Opera House). Donato Renzetti conducts Miriam Gani as Lisa and Frank Lopardo as Elvino in Sandro Secchi's production of La Sorellina...

SALEROOM

Jockey Club is runner up. The first major fine art auction organised by the Prudential - the disposal of the family silver by the Earl of Strathmore...



# FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4 4BY  
 Telegrams: Finantime, London PS4. Telex: 8964871  
 Telephone: 01-248 8000

Tuesday October 11 1988

## Stephen Fidler and Janet Bush on the Credit Suisse, First Boston merger

# Swallowed by its offspring

## Exchange rate riddle

LIKE THE oracle of Delphi, the Chancellor of the Exchequer is regarded as an authoritative, if obscure, prophetic source. His words have become more obscure since the clashes with the Prime Minister and her adviser, Sir Alan Walters. At one stage he was even reduced to the implausible suggestion that his words should be ignored altogether in favour of a Krammological interpretation of his actions.

Such protestations neither stopped the flow of words nor discouraged the market from analysing them. The key question for the market now is whether his remarks over the weekend should be seen as conducive to sterling appreciation.

### Upward drift

The balance of sentiment must have started to shift. If so, a short-term interest rate differential of 7 per cent is not to be sneezed at. So one might now anticipate an upward drift in sterling, an upward drift that will be arrested either as sterling reaches an obviously unsustainable level, or by an interest rate cut, or by some unforeseen event.

If the Chancellor wants to prevent appreciation, while maintaining much higher interest rates in the UK than those in key partner countries, he must leave doubt about the future course of sterling. But he does not want too much doubt about the floor because of the intensity of demand pressure in the domestic economy. In informing industrialists and trade union negotiators that they are not going to be bailed out by depreciation, he is also telling foreign exchange markets that sterling is a pretty good bet.

### Uncertainty

Markets will respond to such a carrot. Indeed, sterling can remain stable against a currency like the D-Mark for the short term only if those on the margin of switching a part of their portfolio into sterling expect, on balance, that sterling will depreciate at equivalent rates over the period of their investment.

At the moment all exchange rate expectations are undoubtedly very uncertain, an uncertainty that the British Government has done much to create. There is presumably a spectrum of doubt, ranging from those who believe in an exchange rate floor to those who are convinced sterling will

collapse. At the time of the release of the disastrous July trade figures, there was a sharp rise towards the latter view. Higher interest rates were then a necessary condition for holding the exchange rate up. But conditions have since changed. Sterling has been steady, the trade figures for August have turned out to be better than those for July, and the Chancellor has again reminded the world that he believes depreciation of sterling to be not merely unnecessary, but counter-productive.

The division of responsibilities between First Boston and CSFB worked well when the joint venture started in 1978. First Boston would cover the US markets and some in Asia, including Tokyo - for what that was worth to an international securities operation at the time. Credit Suisse would continue to cover the Swiss markets, while CSFB would take the Eurobond and the other international markets.

This became increasingly inappropriate as barriers to capital movements fell. The ending of exchange controls in Britain and other countries over the past 10 years has helped to bring about a quadrupling of international capital movements by large institutional investors, banks and multinational companies. New products and computer technology have also helped to transform the market.

The relatively new market in currency and interest rate swaps has taken the international bond market into another dimension. Swaps allow the exchange of one stream of cash flows (for example, the interest payments on a fixed-rate bond) with another stream (such as payments on a floating rate note) in a way that allows both parties to reduce their borrowing costs.

The swap market has also meant that borrowers are no longer anchored to the currency they actually require, since they can swap not only from fixed-rate into floating rate funds, but also from one currency to another. Conservative estimates suggest that at least 65 per cent of new Euro-bond issues are swapped.

A t a marathon board meeting on Sunday, the directors of First Boston, the oldest publicly-held investment bank on Wall Street, agreed to a plan which will subsume their firm into a new privately-owned investment bank which aims to have worldwide reach. It is a move which some argue symbolises the eclipse of Wall Street in the face of rapid growth in the international financial market place.

The plan will bring together First Boston, its London affiliate Credit Suisse First Boston and a new firm to cover the countries of the Pacific as autonomous entities under the umbrella of a new holding company, CS First Boston.

CSFB and its two parents, Credit Suisse, the third largest and oldest of Switzerland's banks, and First Boston, have together raised more money over the last few years in the world's securities markets than any other group.

However, these outward signs of success have masked significant internal strife between executives at First Boston and those at CSFB, much of which has derived from the significant changes over the last few years in the ways people raise money in the international capital markets.

Arguments raged on how to divide the spoils, which intensified as a series of problems started to hit First Boston last year. The firm lost large sums of money trading in options and in mortgage securities, while most of the vast profits they were making were being swallowed up by profiteering trading teams, the two stars of the firm's mergers and acquisitions team, Bruce Wasserstein and Joe Perella, walked out to set up a venture of their own.

The view at CSFB was that First Boston, whose reputation was on the wane, was swallowing too large a share of the



The new team (l to r): Jack Hennessy moving to New York; Hans-Joerg Rudloff in London; Rainer Gut, the Swiss chairman; William Meyer running the Wall Street firm

matic US borrowers in First Boston's backyard, probably with relationships with First Boston, needed to use CSFB to get the cheapest funding. CSFB began to market its product in the US, occasionally competing with First Boston.

Arguments raged on how to divide the spoils, which intensified as a series of problems started to hit First Boston last year. The firm lost large sums of money trading in options and in mortgage securities, while most of the vast profits they were making were being swallowed up by profiteering trading teams, the two stars of the firm's mergers and acquisitions team, Bruce Wasserstein and Joe Perella, walked out to set up a venture of their own.

The view at CSFB was that First Boston, whose reputation was on the wane, was swallowing too large a share of the

executive officer of CSFB. It was realised two years ago that something would have to change. In September 1986, half-dozen executives were given group-wide responsibility. But the problems appeared to get worse not better.

In meetings which began in the summer of 1987, CSFB and its two parents - Credit Suisse and First Boston, began to talk about a complete restructuring of their tangled relationship. The Swiss bank owns 60 per cent of CSFB and First Boston has 40 per cent, while CSFB in turn owns 40 per cent of First Boston. It became clear that the only solution would be to create what Mr Hennessy calls "a common bottom line". In other words, the way to persuade a set of aggressive, ambitious investment bankers to work together was to assure them that they were all work-

The solution decided upon was to create a lightly-staffed holding company based in New York, but allow three autonomous subsidiaries to operate in their three markets, Europe, to be run from London, America from New York, and a new operation to be created in the Pacific region with headquarters in Tokyo.

What has been created, however, is of more significance. With the approval of the US regulators, it has placed a bank, Credit Suisse, within a hair's breadth of control of one of the most important securities firms on Wall Street. As a legacy of the Wall Street crash of 1929, commercial and investment banking has been separated in the US since 1933 by the Glass Steagall Act. Credit Suisse's stake in First Boston was permitted because it was arms length in nature - by way of CSFB. The Swiss bank is now in position to move further into the securities industry, it is seen as likely, Glass Steagall crumbles away.

In the event, the Federal Reserve has placed constraints on Credit Suisse's influence over the new firm's decision-making. While Credit Suisse will hold 44.5 per cent of the new firm's shares, it will nominate only one member of the five-man board.

The deal also envisages that up to three other investors would be invited to join the newly-private partnership and officials would distinctly prefer a Japanese partner. This is an attempt to do what most western financial institutions have failed to do: carve out significant business in Japan.

It is an implicit recognition of the shift of financial power towards Tokyo and the idea that capital outflows from Japan are more than a temporary phenomenon.

One potential problem is the fact that the Japanese Ministry of Finance has so far restricted Japanese companies to a 15 to 18 per cent direct equity investment in an overseas brokerage. This could mean that CS First Boston has to find two financial institutions to split the 30.5 per cent stake which will be left after Credit Suisse and the firms' employees have taken up their shares.

took a stake in Wasserstein, Perella, the mergers and acquisition boutique set up by First Boston's former stars, could be a candidate to take a stake in CS First Boston.

Taking the firm private also has its advantages. For one thing it allows the company to avoid many of the wearisome tasks required by the Securities and Exchange Commission, and the public reporting of profits which must take place quarterly in the US. This in turn will reduce the necessity for short-term decisions taken with quarterly income statements in mind.

Paradoxically, the second advantage is that it will also allow the firm to go public again. This possibility, which has yielded extraordinary riches for partners in other firms which have gone public, such as Morgan Stanley, is an incentive for management to stay on board at least until the next bull market.

Nevertheless, there will be big cash payments to senior figures in the two companies as part of the reconstruction - although not on the Morgan Stanley scale - which are likely to tempt some executives to leave when the private shareholders are bought out, particularly those executives who are losers in the power battle. Who is entitled to what among the 150 partners in both firms will not be apparent until the proxy statements are made public in a couple of weeks. However, those that stay will roll all their capital into the new outfit.

Certainly, in terms of personnel, the winners appear to be those who have hitched themselves to the CSFB cause. Out goes Mr Alvin Sienemaker, First Boston's chairman, who the firm says did not want to commit himself to the long haul. Mr Peter Bachmann, president and chief executive of First Boston, will be in that position in the new firm only until next September, when Mr Hennessy takes over. Mr Hennessy is a former official of First Boston but is regarded in New York as being close to Credit Suisse and its chairman, Mr Rainer Gut, who will take over as chairman of the new company. Mr Hennessy was at one time thought likely to be heading for office in Washington if Mr Bush wins the vice-presidential election.

firmly that his future lies in investment banking rather than politics.

Running the European arm of the new enterprise will be Mr Hans-Joerg Rudloff, who will move back to London from Switzerland and who has achieved an ambition to head the leading house in the Euro-bond market. Mr Rudloff's reputation is formidable. He is one of the few senior executives in the Eurobond market not to lose his feel for the nitty-gritty of the business. His "long market ambassan" have helped build CSFB into the force it is today.

"In all honesty, First Boston will become a subsidiary of CSFB under the new set-up," said Mr Ferrin Long, who tracks the securities industry for Lippert Analytical Services in New York.

Of the four leading managers of First Boston, only one seems to have emerged in an influential position in the shake-up. Mr William Meyer will head the US operation of the combined company.

In New York, the demotion of First Boston's management is also seen in terms of a shift of perception about the importance of US securities markets in the global investment picture. The bond market has been difficult for the last three years or so and the October 1987 stock market crash has taken the shine off equities.

Others, however, see it as a direct reflection of difficulties at First Boston. "First Boston has seen some real ups and downs in the last two years and a lot of departures," said Mr Lawrence Eckstetter, founder of Prudential-Bache, "and in taking part in the creation of CSFB 10 years ago, First Boston produced an offspring that would eventually swallow its parent and has provided an object lesson in how difficult it is for a joint venture to change direction. Over the decade, CSFB has developed a reputation for far-sightedness in international markets that left most of its competitors bobbing like corks in its wake. The question now is whether yesterday's deal will place the firm, as it says, to take the lead in the international capital markets of the 1990s."

	Financière CS-First Boston (\$m)	First Boston Inc (\$m)	Credit Suisse (\$m)
Revenues	297	1,332	1,827
Net income	115	109	348
Shareholders' equity	588	1,082	4,022
Assets	2,838	36,148	67,447
Employees	1,293	5,935	16,029

\* Threshold at 50% LBO in the US  
 † All year end 1987

## Time to rethink Lome convention

THE forthcoming renegotiation of the Lome Convention has provoked trepidation among the 66 developing countries from Africa, the Caribbean and the Pacific (ACP) which benefit from the special arrangements it accords them in their trade with the EC.

The renegotiation, which gets under way formally in Luxembourg tomorrow, coincides not only with the Uruguay Round of multilateral trade liberalisation talks but also with the EC's own continuing efforts to develop a single internal market by 1992. Both of these could erode some of the privileges which ACP countries have traditionally enjoyed in European markets. Not surprisingly, many ACP countries are approaching the renegotiation with the aim of protecting and deepening these privileges.

The Lome Convention provides the ACP countries with duty- and quota-free access to the EC for all industrial products except rum and for agricultural products which are not by the EC's Common Agricultural Policy. It also provides special quotas for sugar and bananas.

Widening gap  
 On paper this is generous treatment, but Lome has not been of much help in promoting development. The ACP countries remain very poor. Many, especially in Africa, have recently been getting poorer. The gap between them and other developing countries has widened conspicuously. Attempts at industrial development have generally failed; most ACP countries remain simple exporters of raw materials and commodities.

Most of the reason for this is bad economic management on their part and an unfavourable international economic environment. But Lome has done virtually nothing to offset the latter. For example, its concessions on industrial products such as textiles are hedged about with safeguards.

The rules of origin applied by the EC work to the disadvantage of ACP countries by penalising them if they procure raw materials or components for industrial goods from outside countries. This has dis-

couraged them from entering the low-technology assembly sector which plays such an important role in countries like Thailand.

One solution would be to refine the rules of origin to broaden the range of sourcing possibilities for ACP countries and so encourage inward investment from other parts of the world. In the case of textiles the ACP might do better to negotiate quotas that carry a guarantee of generous minimum levels of access to EC markets.

### Reappraisal

There is no doubt that the renegotiation will focus heavily on technical points such as these, but it is important that the discussion takes place in a spirit of fundamental reappraisal of what Lome is all about.

Developing countries are increasingly being told by their partners in the Gatt, by the International Monetary Fund and by the World Bank to reduce subsidies and protectionism and opt for more market-orientated policies. It seems inconsistent to perpetuate a system of apparent concessions that may militate against structural adjustment.

For the EC this would in turn pose some awkward questions. While appearing generous in principle, the Community's concessions under Lome have in practice been window-dressing, behind which lurks a determination to protect its own farmers and businessmen. The embarrassing result is a development policy whose targets have remained among the least successful economies in the developing world.

A more rational approach would involve choosing between a system of truly meaningful concessions or one of genuinely liberal, non-discriminatory treatment. Fair trade relations with ACP countries should not involve continuing restrictions against agriculture products like sugar. The EC should remember that its quota system for ACP sugar at inflated European prices would not be necessary if its own internal sugar arrangements had not done so much to depress world market prices.

## No singing in the rain

Crowds still turn out in some force to watch the arrival of the Princess Royal and assorted movie stars at a special occasion at the Odeon, Leicester Square. The occasion was the tribute to Dick Bogarde by the British Academy of Film and Television Arts and Shell UK. And it was, at times, a bit of a shambles.

The Princess Royal, who was the principal guest, arrived about one hour late, it was also raining and a drain overflowed. Those inside the cinema could watch on the television monitoring system pools of water repeatedly rising on the red carpet outside. A man in a cloak would frequently go out to brush the water away, then it would rise again. Another man played on at the old Odeon organ. There were calls for him to switch to 'Singin' in the Rain' or even the 'Dum Busters' March.

Eventually the Princess arrived. Her entourage may have upset Bogarde, whose own appearance on stage was then delayed. He did not come on in the best of tempers. He quarrelled about his script, said that he couldn't read it and complained that they were showing the wrong clip of one of his movies. A range of stars had been brought in from all over the place: Leslie Caron, for example, Bogarde would kiss them; then they were shuffled off-stage. He told a long story about the actor, Denholm Elliott, who also appeared, and said it wasn't very funny, but filled in the time. For a while it seemed that Bogarde might walk out altogether.

Yet suddenly he perked up and told some skitish tales of life on screen and stage. His appearance in Shaw's *The Doctor's Dilemma* had been a box office failure, he said, because too many people had expected it to be another in the series that started with *Doctor in the House*.

## OBSERVER

It was fortunate that the occasion was not being televised. Even now one wonders what Thames Television will make of it before it goes out quasi-live on ITV at 8pm on Thursday.

### Pushing it

The September issue of Lloyd's Log, the official magazine of the Corporation, has caused a stir. It contains a short story by Jeffrey Archer, husband of Mary, and a visiting card on the cover from John Wakeham, Leader of the House of Commons. Mary Archer is running for election to the Council and Wakeham is backing her.

### Buying Punch

David Taylor, the second man in the course of the last 12 months to be sacked as the editor of Punch, has joined forces with another ex-editor of the magazine: William Davis. But there is more to the story than two old pals getting together.

Davis is now chairman of Headway Publications, the magazine group which publishes among other things *Business Life* and *High Life*, familiar enough to passengers on British Airways. It was Davis who hired Taylor at Punch in the first place and offered him a job at Headway last year. Taylor preferred to give the editorship of Punch a go. He was summarily dismissed last month and will now edit *Business Life*.

Davis has further ambitions, however. He wants to buy Punch and is not without resources. Headway is now owned by the Maxwell group. The problem is that the present owners, United Newspapers, do not want to sell. A renewed approach was made



last week, but Lord Stevens, the chairman of United, is sitting tight and the word is simply that Punch is looking for a new editor.

### Wor Jackie

No-one who grew up in the north east in the 1950s can have heard of the death of Jackie Milburn without a pang of nostalgia. Milburn was the man who seemed to put Newcastle on the map, and even people who were not much interested in football followed his career with respect. Newcastle United, with Milburn as centre forward, won the Cup three times: in 1951 against Blackpool, in 1952 against Arsenal and in 1955 against Manchester City.

In fact, the club's really great playing days were already behind it. Between 1906-11 United were cup finalists five times, and although they won only once - against Barnsley in 1910 - they thrice

won the league. The Milburn period was a pleasant revival. Since then almost nothing seems to have gone right, at least for any length of time. I have often wondered what would have happened to Merseyside if it had not had good football teams to keep up local spirits. Newcastle has done without and is currently around the bottom of the first division. Today the city centre by the main station, must be among the most desolate sites in the country. And although there are promising developments slightly to the north, and south of the river in Gateshead, a resurgent Newcastle. Unless work be made all the difference in the world to morale.

The place still produces good players, but sooner or later they leave for Liverpool, Arsenal or Tottenham Hotspur. Milburn never did that.

### Banking form

NetWest is pleased with itself. Members of its staff won the first eight places in the Banking Diploma Examination of the Chartered Institute of Bankers held in May. Three of the top places went to women and the bank also won more than half of the top 50 places. There were 738 candidates.

The outright winner was Marc Wotton, who works for the Deutsche Westminister Bank. In Düsseldorf. Top among the non-NetWest candidates was Joanne Treddley of Lloyds Bank. The NetWest success rate, which has never reached this level before, is attributed partly to the revision courses held by its Technical Training Unit.

### Saaintly reply

By-election heckle: "I wouldn't vote for you even if you were St Peter, Madams, you wouldn't be in my constituency."

**A balance of skill and flair**

In buying, selling, letting or seeking properties, do you have the necessary up-to-date knowledge and understanding to handle your requirements effectively?

Do you have sufficient experience of national and local markets, and an ability to respond to opportunities quickly and positively?

Your property assets cannot perform in the absence of specialist knowledge and a co-ordinated balance of skill and flair.

**Grimley JR Eves**  
 CHARTERED SURVEYORS

01-885 1511  
 021-235 8236  
 0272 277776  
 0252 462674  
 01-624 7122

**YOUR PARTNER IN PROPERTY**



LETTERS

Kuwait and BP: a diversion from long term issues

From Mr M C Kuczyński
The Monopolies and Mergers Commission and the Secretary of State may have allowed to slip away an opportunity, however modest, to promote the long term public interest as far as the Kuwaiti interest in BP is concerned.

the price of an important exhaustible resource. The first oil crisis, with its aftermath of protracted fluctuation and painful industrial readjustment, was eventually the inevitable result of such short-sightedness.

Office holding, which serves to protect the public interest. This country has a long run stake in energy products, in coal if not in oil.

Help might be at hand, however, as it is recognised in a fanatically orthodox Chicago tradition, if links of cross-ownership were to exist between the two sides - deposit-owners and technology-owners - while their ultimate interests remain distinct.

Non-voting shares

From Sir Ian Morrow
Sir, Would it not have been a more elegant solution of the BP/Kuwait problem to have transferred the surplus shares to a non-voting trust?

Honest differences of view

From Mr Roland Freeman
Sir, Mr Derek Craig MEP ingeniously sidesteps the split among the 45 Conservative MEPs over European political union by suggesting that they hold 45 different views.

The Thatcherite wing, however, wants to block political union and even opposes a common currency and central bank which would arise naturally out of the single market structure.

Why stable exchange rates must be adjustable

From Mr W Grey
Sir, The Group of 30, in a saying quoted by Samuel Brittan ("Fund-Bank conference notebook", September 29) with evident approval, has characterised the exchange rate as "the single most important factor in the economic system, unambiguously defined with instant data available."

Vying for the soul of the Afrikaner

Jurek Martin examines the rise of the Conservative Party in South Africa

The basic case in favour of sanctions against South Africa is the premise that the National Party Government can be made, through economic pressure, to change its odious laws and ways. The contrary case is that sanctions most hurt the ones in need of help, South African non-whites, that a wrecked or siege economy is not a desired precondition for an orderly transcendence of power and that, in any event, the National Party will never buckle under to that sort of leverage.

vaal and the Orange Free State; they may even symbolically take the national capital, Pretoria; they might force a general election within a year or so which might, according to some calculations, result in a hung parliament.

rumoured participation in a broader southern African summit might also influence voters at home, if such initiatives were prosecuted quickly and decisively. The counter argument is that the emergence of a Swappo government in Windhoek, which the South African Government cannot guarantee itself against, would be devastating to the National Party.

A selfish clairvoyant

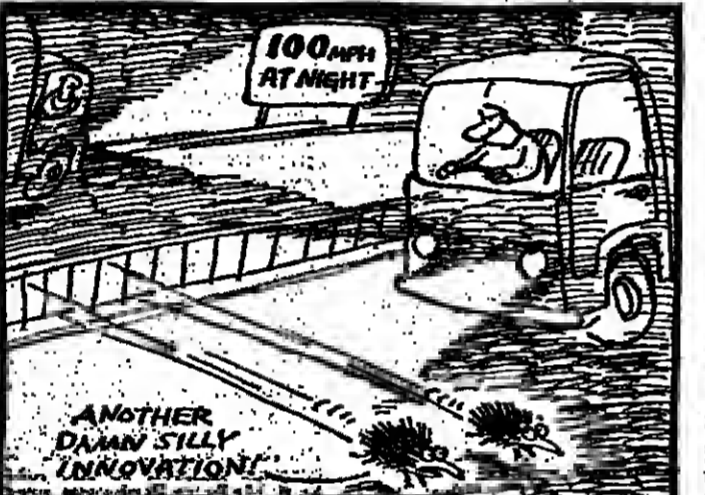
From Mr E Branson
Sir, Could you please tell me where I can order the spectacles to improve the short-sightedness to which Lex referred (October 5)? I didn't realise that even the Lex column had such a pair which could have forecast the October crash.

Initiatives in inner cities

From Dr C Coulson-Thomas
Sir, Mr P H Corby (Letters, September 28) in response to your editorial "Partnerships in Inner Cities" (September 23) emphasises the need for "real initiatives to tackle the social and economic problems of the inner cities."

Keeping speed hogs in the dark

From Mr T M Barclay
Sir, The challenge to achieve internationally-competitive costs is not confined to our manufacturing industries. One of Britain's major national assets is the UK motorway network, in many places already uncomfortably overloaded.



Community care: the devil you do not know is no better

From Mr H Lowe
Sir, May I reply to your leader ("The community care middle", October 6) which was a comment on the plea by the umbrella organization Community Care Now for the implementation of the Griffiths Report.

elderly have increased dramatically in a decade when the NHS has reduced the provision of bed/days for geriatrics and psycho-geriatrics by some 50 per cent.

unreasonable to expect the true cost of the services of, say, a nurse, physiotherapist, chiropodist, etc. to be less than £20 a visit (or an hour) the cost to an elderly person in frequent need of these services would be enormous.

very expensive. And what of those with no resources of their own? If we extrapolate from the known situation of homes for the elderly, it seems clear that these people will continue to be denied support. Councils will not be able to use the money extracted from the better off to support those with no resources, even if they wish to, because Griffiths has specified that the central government grant to councils will be adjusted to take account of the ability of the clients to pay.



Most contract hire and leasing companies are only interested in the larger fleet user. McKenna & Company is different. We are independent and therefore unbiased. Consequently, if you operate one executive car or a thousand fleet cars, you receive impartial, expert advice and above all - personal service!

Numbers of privately-funded elderly.

Secretary, London Health Emergency, 335 Grays Inn Road, London WC1

MCKENNA & COMPANY The Driving Source 6 Longbridge Way, Cowley Mill Road, Urbridge UBS 2YT Telephone (0895) 811181 Fax (0895) 810424



Gartmore For Money Funds CALL TODAY 01-236 1425

FINANCIAL TIMES

Tuesday October 11 1988

BUILDER CENTER WOLSELEY The name behind the name

French TV continues to make headlines

Broadcasting is about to receive yet another regulatory structure, reports Paul Betts

BROADCASTING has been a long-running soap opera in France. Few issues have provoked such noisy political controversy...

Mr Francis Bonygues, chairman of Bonygues, French construction and media group, is expected to resign as chairman of the French TF-1 privatised television network...

of the public service just as it widely expected to lose the legislative elections of 1986 to the right. Heads have traditionally rolled in the French broadcasting sector after every general election...



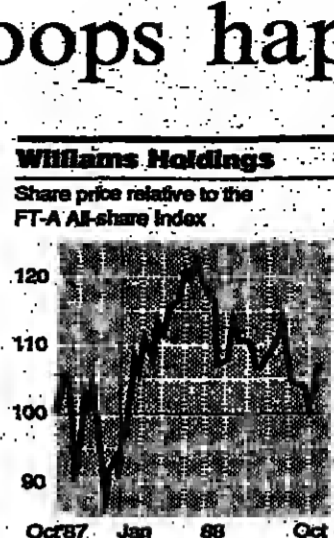
DEREGULATION OF BROADCASTING

shake up the structure and nature of broadcasting so profoundly that the politicians lost control of the situation. The Government limited the amount of advertising revenue of the public networks since they also receive revenue from television licence fees...

Lawson keeps the troops happy

Mr Lawson's stirring remarks over the weekend about the need to keep up the anti-inflationary struggle have made a lot of foreign exchange traders very happy...

Mr Lawson's stirring remarks over the weekend about the need to keep up the anti-inflationary struggle have made a lot of foreign exchange traders very happy. By ruffling the possibility of an early cut in interest rates, he has issued a risk-free invitation to buy the pound and earn an extra 7 percentage points over German rates...



Williams Holdings

other investment banks were thinking of taking themselves private, now that the need for a huge capital base no longer seems to be so important as it was a year or two ago. The only other surprise about the deal is that the identity of the Far Eastern investors have yet to be determined...

Britain to put electronic tags on prisoners

By Paul Abrahams in London

BRITAIN is to introduce an electronic tagging system for prisoners awaiting trial which is likely to be strongly opposed by civil liberty groups and some law officers...

alone could be worth more than \$1bn in the 1990s. Mr Marc Renzema, associate professor of criminal justice at the University of Kutztown, Pennsylvania, and editor of a newsletter on electronic monitoring, said that several other countries had also been looking at curfew systems...

been evaluating a number of electronic monitoring systems for the past two months. Mr Hurd's announcement follows a government consultation document which suggested that such schemes might be used in keeping offenders out of custody...

Brussels to investigate imports of small TVs

By Terry Dodsworth in London and Will Dawkins in Brussels

THE European Commission is expected to launch an anti-dumping investigation on grounds of strategic fit, into imports of small screen televisions from China and Hong Kong later this year. Action over the alleged dumping has become increasingly likely over the past few months following a big surge in sales of Chinese and Hong Kong products through own-label retail stores...

Algiers riots flare again, death toll rises

Continued from Page 1

Despite the FLN's marxist language, the party was never renounced on tight lines of a communist party. It remains as it was before independence, an alliance of groups with different political aims. Hence the strong suspicion that the previously unknown Islamic fundamentalist Movement for Algeria Renewal, which claimed responsibility for the violence at the weekend, is manipulated by FLN hardliners...

UK credit card war looms

By David Barchard in London

BOTH National Westminster and Midland banks yesterday announced plans to become members of both the Visa and MasterCard credit card organisations, setting the stage for a period of bitter competition in the UK credit card industry. The decision of the two banks, which follows similar moves by Lloyds and Barclays last month, means that all four of the big clearing banks will be competing directly against each other in the credit card market as both Visa and MasterCard issuers...

Yugoslavian unrest

Continued from Page 1

He is campaigning to incorporate fully into Serbia the two autonomous provinces of Kosovo and Vojvodina which are at present loosely linked to his republic. Intense pressure, in the form of mass demonstrations organised largely by Serbs who support Mr Milosevic, has been brought to bear on the party leadership in the two provinces and in the other five republics. Last week demonstrators loyal to Mr Milosevic forced the resignation of the Yugoslav leadership by laying siege to the local administration in the northern town of Novi Sad...

WORLD WEATHER table with columns for location, temperature, and other weather data.

Yugoslavian unrest (Continued) ... He is campaigning to incorporate fully into Serbia the two autonomous provinces of Kosovo and Vojvodina which are at present loosely linked to his republic. Intense pressure, in the form of mass demonstrations organised largely by Serbs who support Mr Milosevic, has been brought to bear on the party leadership in the two provinces and in the other five republics. Last week demonstrators loyal to Mr Milosevic forced the resignation of the Yugoslav leadership by laying siege to the local administration in the northern town of Novi Sad. The party leadership in the northern republic of Croatia, which has bitterly opposed Mr Milosevic's alleged pandering to extreme Serbian nationalists, yesterday held a meeting to discuss the situation. Later in the week, the Kosovo leadership, which is under pressure from the Serbian party to drop its opposition to incorporation into Serbia, will hold an emergency session.

THE WORLD OF TI



TI Cheswick looks forward to legislation on exhaust pollution

TI CHESWICK SILENCERS opens on Friday, 14 October, at Preston, this country's first purpose-built factory dedicated to manufacturing catalytic converters, pioneering the way in clean air products for car exhaust systems. When fitted to car exhaust systems, these converters reduce the emission of pollutants such as carbon monoxide, nitrogen oxides and unburnt hydrocarbons in the exhaust gas. Until now Cheswick have been supplying catalytic converters to Ford in Germany and Belgium, Volvo in Holland, and the export model requirements of Jaguar, Rover and Landrover from their Blackpool silencer plant. All this work will now be switched to the new 24.5m Preston factory. Although initially all production is for vehicles destined to be driven overseas, Cheswick is ready to step up production and expand its seven acre greenfield site at the junction of the M55 and the M6 to meet the growing demand for converters that will be stimulated by implementation of tighter emission standards in Europe in the period 1990-1995.

Apollo brings aerospace technology to golf

GRAPHITE FIBRE technology was pioneered and developed in the 1960s by the US aerospace industry. Its benefit: the reduction in component weight through a high strength-to-weight ratio - has now been utilised by Apollo, patentees of the steel golf shaft in 1913. Apollo is the first dedicated golf shaft-maker to bring the advantages of graphite shafts into its range. Using graphite allows the shaft-maker to reduce the weight of the shaft and the club-maker to increase head weights. The benefit for the golfer is that he can generate more momentum at the point of impact, creating the potential for greater distance for the same swing speed. Apollo's graphite shafts offer the club-maker greater tolerances for weight, flex, point of balance, dimensions and torque. As a result, there is now more opportunity than ever before to custom-fit club to player.

Tru-Form crosses the Atlantic

FOLLOWING THE success of Reynolds Kings Tru-Form operation at Tynesley, Birmingham, TI has established Tru-Form Inc with a US\$4 million plant at Wilkes-Barre, Pennsylvania. This venture, together with TI's King Fifth Wheel, supplies the needs of American aero-engine manufacturers. TI Reynolds Kings Ltd forms part of TI's world leadership business in aero-engine rings, and its revolutionary Tru-Form cold rolling process has made a major contribution to existing manufacturing techniques. Engine rings play a vital part in jet engine technology. Of considerable size - up to eight feet in diameter and often several inches wide - they are made of some of the world's costliest and toughest alloys. Previous ring manufacturing techniques led to the wastage of up to 95% of the original highly expensive alloy. Moreover, there were manufacturing constraints on axial width. But the unique Tru-Form technology now allows designers to make rings of large axial width and varying thicknesses in one piece, near net shape, with a saving on both material and fabrication costs. The American market is already responding very positively to the advantages of the Tru-Form technology, and significant application is anticipated on the incoming generation of aero-engines.

TI Group plc, 50 Cuxson Street, London W1Y 7PN. Tel: 01-499 9131





COMPANIES & MARKETS

Tuesday October 11 1988

TAYLOR WOODROW



TEAMWORK IN CONSTRUCTION WORLDWIDE

FOR BUSINESS CARS & VANS TEL: (091) 510 0494 COWIE CONTRACT HIRE LTD

INSIDE

High hopes for Verri's Alitalia

Alitalia, so the joke goes, stands for Always Late in Takeoff, Always Late in Arrival. But now the Italian state airline is set to get a new lease of life. Mr Umberto Nardo, the cantankerous boss of Alitalia since 1979, was sacked in July and replaced by Mr Carlo Verri, the highly-acclaimed manager who is most recently credited with having turned round Zanussi, the white goods manufacturer. Alan Friedman explains how Mr Verri plans to improve Alitalia's services and cut company bureaucracy. Page 30

Clear picture of Austrian Blind?

Is privatisation in Austria merely a way of containing the country's budget deficit, or is the Government genuinely interested in expanding state ownership and reducing the influence of the state? The answer should be made clearer by the terms of the partial privatisation of Verbundgesellschaft, the state-owned electrical power utility which is earmarked for flotation in late November. Page 32

Watch this space

For the price of a rabbit hutch-sized property in Tokyo it would be possible to buy a country estate outside Japan. Sky-high land prices are such that analysts regularly comb company balance sheets for evidence of property holdings. Growth in land costs has eased since last year's stunning 65 per cent rise, but the price surge continues to be a theme in Japan's stock market. Michio Nakamoto examines how in the past few months the exchange's property focus has sharpened on holdings in three areas of Tokyo. Page 32

Canadians sell Inespal stake

It looks set to become a difficult job. When the Madrid office of Solomon Brothers, the Wall Street investment bank, opens this month, on its books will be the disposal of a 24 per cent stake in Inespal, the Spanish state-controlled aluminium holding company. The shares are being sold by Alcan of Canada and the deal is not being taken by surprise, not least because aluminium prices have been buoyant this year and Inespal is heading for record profits. Peter Bruce reports from Madrid. Page 31

All work and no play

Contrary to popular perception, October is the busiest month of the year for Britain's arable farmers. David Richardson reports on the race to beat the onset of winter with autumn-sown cereals - a task that has farm workers putting in 14-hour days, seven days a week. Page 48

Gold Fields bid reverberates worldwide

By Chris Sherwell in Sydney and Kenneth Gooding in London

TWO separate developments yesterday illustrated the way shock waves from the hostile \$2.9bn bid for Consolidated Gold Fields, the UK mining and industrial group, by Minoro, the South African-controlled investment company, are being felt throughout the world's gold mining industry. First, Mr Robbie Namali, the prime minister of Papua New Guinea, said his Government would force Renison Goldfields Consolidated, 49 per cent owned by Gold Fields, to sell its extensive interests in that country should Minoro's bid succeed. Then Minoro announced that, if it won control of Gold Fields, it would sell the highest bidder the UK company's 49 per cent shareholding in Newmont Mining, which is rapidly developing into the biggest gold mining group in the US.

The Newmont share price rose by \$1.50 to \$38 immediately after the news yesterday, at which level the Gold Fields stake is worth about \$1.23bn. Newmont's 50 per cent-owned subsidiary, Newmont Gold, is on course to become the biggest gold producer outside South Africa this year and owns the prospecting rights to the major portion of the Carlin Trend in Nevada, the largest gold field to be discovered since the South African Rand. Gold Fields built its shareholding in Newmont Mining from 28 per cent to 49.5 per cent last year to help the US company fight off an unwelcome bid from a group led by Mr T. Boone Pickens, the well-known corporate raider. Gold Fields also agreed not to increase its stake in Newmont for 10 years. Minoro, in its formal offer document last week, said it would negotiate with Newmont's management to reduce Gold Fields' shareholding, "with a view to releasing low yielding funds whilst providing Newmont with independence and stability". Sir Michael Edwards, Minoro's chief executive, made it clear that it was Newmont's subsequent decision to join with Gold Fields in an approach to President Reagan asking him to block the bid on US national security grounds which caused Minoro to change its mind. That was a "clear message" Newmont was not willing to take up Minoro's offer of talks, he said. Although Minoro was previously determined to reduce the stake, perhaps to about 25 per cent, it would also have discussed the timing of that disposal and where the shares should be placed, as well as possible joint projects.

Bulolo gold fields. Mr Namali, the PNG prime minister, said the prospect of Minoro owning indirect stakes in these properties was "totally unacceptable. We cannot allow the apartheid regime to benefit from our rich resources". He added: "We have international obligations and national laws that prohibit us from entering into trade and investment agreements with South Africa and South African multinational." Gold Fields said the reaction in PNG was another demonstration that host governments would not accept South African ownership. It said that the PNG Government had taken the view that no control or influence over Renison from South Africa arose from Minoro's existing 28 per cent stake in Gold Fields. Lex, Page 26

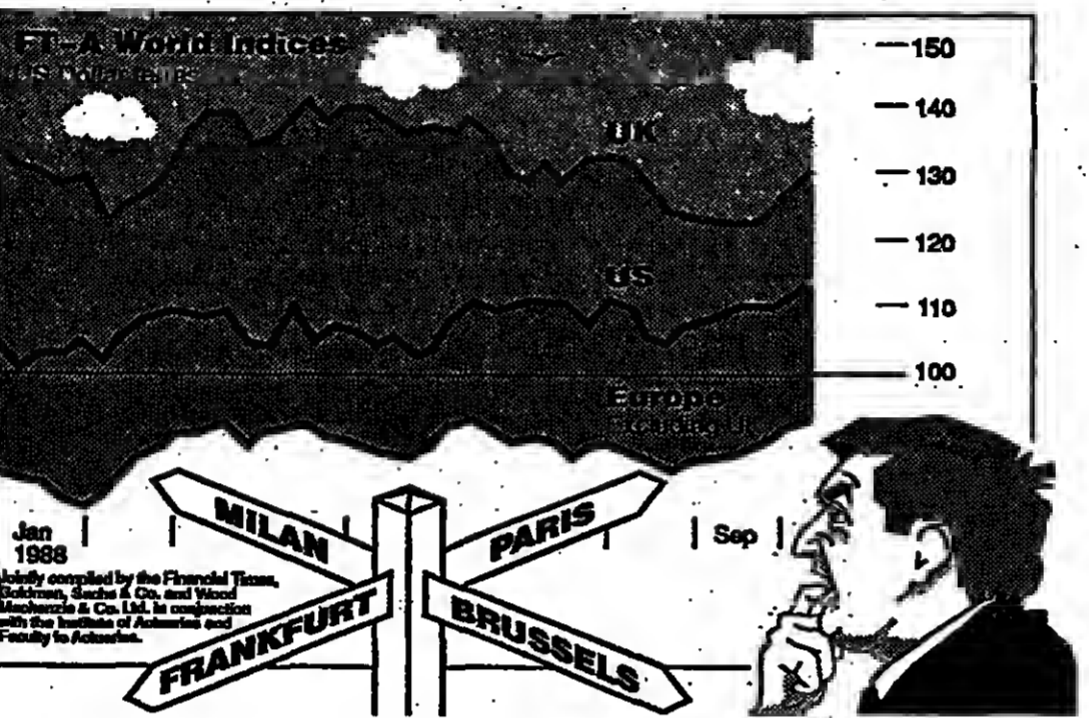
Indian alliance eyes world markets

By David Housego in Bombay TWO OF India's largest industrial groups agreed yesterday to form an alliance that could form the base of a chemicals and engineering conglomerate of world scale. Larsen and Toubro, an engineering and process plant manufacturer, announced that two senior directors from the country's Reliance textiles and petrochemicals group would be joining its board. The move, seen as giving Reliance a growing voice over management policy, follows the build-up by Reliance of a stake in Larsen and Toubro of between 5 and 12 per cent, making it the largest private shareholder. Reliance had sales of Rs13.8bn (\$918.6m) in the 15 months to March. Larsen and Toubro, which had seen sales and profits stagnate over its previous two years, yesterday announced an 18 per cent increase in turnover to Rs6.6bn in the year to September. Larsen and Toubro has been subject to increasing takeover rumours in recent weeks, which have pushed up its share price from about Rs75 in April to Rs143 yesterday. Mr N.M. Desai, the chairman, welcomed the link with the Reliance group. Reliance, which has grown rapidly under the leadership of the controversial Ambani family to be India's fourth largest industrial group, has had its interest in Larsen and Toubro stimulated by the large orders it has been placing with Larsen for petrochemical plant. Joining the board of Larsen and Toubro is Mr Mankesh Ambani, the eldest son of Mr Dhirubhai Ambani, chairman and founder of Reliance. He could take over as chairman from Mr Desai who is due to retire in March. Lex, Page 26

Credit Suisse, First Boston execute deal

By Stephen Fidler in London and Janet Bush in New York

CREDIT Suisse, the third-largest bank in Switzerland, and First Boston, the US investment bank, yesterday executed an agreement that aims to create a powerful new international investment bank. The agreement will take First Boston private and make it one of three autonomous subsidiaries under a New York-based holding company. The holding company will also comprise its London-based affiliate, Credit Suisse First Boston, and a subsidiary to be established in January and headquartered in Tokyo to cover the Pacific region. Yesterday's move also provides for up to three new institutional investors in the group, which Mr Jack Hennessy, president and chief executive officer of CSFB, said would preferably be Japanese. Until these investors are found, the group has reached agreement with the Olayan Group, a Saudi Arabian-owned international conglomerate which has previously taken interests in a number of US financial companies, which will act as interim trustee to hold 30.5 per cent of the new group's shares. In its capacity as a trustee, it will be granted a loan of about \$60m from a group of international banks. Among Wall Street analysts and rival securities firms, there was clear agreement that the deal represented increased influence for the Swiss bank and a leading role for the dynamic securities operation of CSFB. In the longer term, the merger may help solidify First Boston, which has had a difficult year and there is general agreement that the merged company will be a formidable force in global investment banking. Although the firm is resisting the interpretation, the agreement is also being viewed as representing, if not a complete defeat for First Boston's management, then certainly a loss of influence for the investment bank. "In all honesty, First Boston will become a subsidiary of CSFB under the new set-up," said Mr Perrin Long, who follows the securities industry for Lipper Analytical in New York. As reported in later editions of the FT yesterday, the other main points of the deal are as follows: The new holding company will have pro-forma equity of \$1.1bn and will be 44.5 per cent owned by CS Holdings, a Credit Suisse company; 25 per cent by management; and 30.5 per cent by up to three other investors. Credit Suisse will inject \$60m of new equity capital. The new institutional investors will be expected to inject \$60m and a further \$200m will be raised from an issue by First Boston of preferred stock. Mr Alvin Shoemaker, chairman of First Boston, will leave the firm. Mr Peter Buchanan, president and chief executive officer, will take the same position in the new firm, but only until September, when Mr Jack Hennessy, current CSFB president, will take over. Mr Hans-Joerg Rudloff will be brought back to London from Switzerland to head the European arm of the company and Mr Bill Mayer of First Boston will head the US unit. Swallowed by its offspring, Page 24; Lex, Page 26



Securities houses go for broke in Europe

Patrick Harverson on the race to improve research and grab business in Continental equity markets

ON MONDAY October 3 one of Wall Street's leading securities houses, Drexel Burnham Lambert, transferred its European equities research team of four senior analysts - led by the group's director of international research - from New York to London. The move, which included poaching a senior European analyst from James Capel, was the latest broadside in the battle between international securities companies to win a large slice of what could be the biggest and most lucrative pie since the Big Bang - the continental European equity markets. The rush to improve and expand the coverage is a direct response to the growing demand from UK and overseas investors for access to and information on European equities. This demand has been fuelled by a variety of factors. The approaching unification of European markets in 1992 has heightened investor awareness of Continental companies. Deregulation of local European markets has improved access to equities and improved their marketability, and the growth in trading on the London Stock Exchange's SEAQ international system has stimulated interest in a far wider range of European stocks. The dramatic improvement in the expectations of GNP growth among the major European economies - and the forecasts of strong corporate earnings growth - has been directly reflected in stock market performance, so much so that since the October crash local markets in Continental Europe have performed better relative to London and New York. There is some evidence of UK investors switching from UK to European stocks because they expect the local markets to continue to outperform London and New York. The global securities houses pouring more resources into European markets believe that whoever provides the most comprehensive research service is likely to win clients who will stay with them for good. "If you are going to be a long-term player in European equities you have to get the infrastructure in place now," says Mr Angus McNeillage, head of European research at James Capel. The volume of European equities traded in London is already large. In a good month, such as October 1987 (and this was despite the crash), every day about \$400m (\$880m) worth of European equities were traded on behalf of customers. In the months April to June of this year, daily customer turnover in

able on UK equities. Frankfurt, Paris and Milan are the markets most extensively covered at present. Analysts are also published more frequently. In June, EZW started a daily service, and from last week investors in London started receiving morning meeting reports from James Capel. Warburg distributes its daily comments electronically. But the danger is that securities houses are building up their European teams at a time when volumes, and therefore earnings, from European markets are flagging. This means some firms could be forced to pull out of European equities because their share of the market cannot justify the tripping overheads. Institutional investors have been grateful for the expanded coverage, but there is still room for improvement, say fund managers. Mr Michael Woodward, of Ivory & Sims, thinks the quality of London-based economic and market analysis is good, but where it lacks quality is in the coverage of smaller European stocks. Woodward looks to local brokers on the Continent for in-depth analysis of leading and second line European stocks. Another UK fund manager agrees that the coverage of second-line companies is lacking. Although the UK houses are facing growing competition from the US and even Japan in the shape of Nomura and Nikko Securities (Europe) in London, the threat from European banks and brokers is dismissed as less dangerous. The problem of Continental research is that investors regard it as too subjective, restricted by the conflicts of interest between the broking and corporate finance arms of securities houses, leading to research that sophisticated UK investors regard as safe and apologetic. Yet smaller, more independent European brokers come into their own on coverage of second line stocks. These houses face fewer conflicts of interest because they rely more on the brokerage of stocks for their livelihood than on corporate finance, and are therefore regarded as more objective in their analysis. Brokers such as Bankhaus Reschel in Munich, Sal Oppenheim in Cologne, Ferri Ferri in Paris, Michaux in Lyons and Elerson or Kempen in Amsterdam are commonly used by investors interested in the smaller European stocks. The real challenge for London houses is to match the quality of research provided by these specialist local companies.

Market Statistics table with columns for various financial indicators like Base lending rates, Bankmark Govt bonds, FT-100 index, etc.

Companies in this section table listing various firms like AGS Research, Abbott Laboratories, Alitalia, etc.

Chief price changes yesterday table showing price movements for various companies like Volkswagen, Deutsche Bank, etc.

LONDON (Pence) table showing stock price changes for various companies like Alcatel-Lucent, Biffen, etc.

WASHINGTON CREDIT CENTRE PRIME SITES FOR PRIME COMPANIES. Includes text about prime locations in North-East England and contact information for the New Towns.

Vertical text on the left margin: DER TER SELE, the y, Property Developer, OF, rollo ings rspace hnology golf, (T)



## INTERNATIONAL COMPANIES AND FINANCE

## Best Products agrees to \$684m buy-out offer

By Bob Vincent in New York

BEST PRODUCTS, one of the leading US discount retailers, has agreed a \$684m buy-out offer from Adler & Shaykin, a New York-based investment company which specialises in management leveraged buy-outs. Adler is offering \$37.50 a share through its newly created concerns, BAC Holdings Group and BAC Acquisition.

Total funds required to buy all Best Products' outstanding common stock, refinance the company's indebtedness and pay expenses relating to the offer, which is being recom-

mended by the board, will be about \$1.1bn. The deal also involves Best Products paying \$25m to Adler if the merger fails to go through, under certain circumstances.

Last month, Best Products, based in Richmond, Virginia, rejected an inadequate unsolicited proposal to buy the group at \$21 a share, or \$522m. The board then declined to disclose who made the proposal.

It acknowledged, however, that it was holding talks with other interested parties and reviewing strategic options,

including a sale of the entire company. Mr Robert Humbley, Best Products' chairman, said the deal would result in the continued operation of Best as one of the leading discount retailers.

The group operates 194 Best stores in 27 states, and it is developing Best Jewelry, which currently has 30 outlets. Included in Adler & Shaykin's \$1.2bn portfolio are Joy Technologies and Chicago Sun-Times. In early trading yesterday Best's shares jumped 5% to \$26.

## Abbott maintains earnings growth

By Anatole Kalotay in New York

ABBOTT Laboratories, the Chicago-based pharmaceuticals and health care company, maintained its long record for rapid growth of revenues and earnings in the third quarter. The company's net earnings increased by 18 per cent to \$172m or 76 cents a share, compared with \$146m or 64 cents a year earlier. Sales increased by 11 per cent to \$1.21bn.

The rate of growth was only marginally weaker than that reported in the second quarter, when Abbott's earnings advanced by 19 per cent and sales grew 16 per cent. In the first nine months of 1988, the company made \$530m or \$2.94 a share, 20 per cent up on the corresponding period the year before. Sales in the latest nine-month period increased by 15 per cent to \$3.63bn.

Abbott's earnings per share have been growing at around 20 per cent since early 1986 and its profits and sales have risen every year since 1971.

The company said its earnings growth this year had been due to improved productivity, a better product mix, the weaker dollar and a lower tax rate, as well as higher volumes.

Research and development spending increased by 26 per cent to \$115m in the third quarter. Abbott has focused its research on diagnostic products, as well as drugs related to acute pain management and relief, Aids and antibiotics.

## Stratus plant for Ireland

By Kieran Cooke in Dublin

STRATUS, the US computer systems manufacturer, is to invest £10m (\$14.4m) to open a plant in the Irish Republic.

The plant, at Blanchardstown, near Dublin, is expected to have a workforce of 200.

The project, backed by the Irish Government's Industrial Development Authority, was won by Ireland against tough competition from other locations in the EC.

## Paribas acquires Béghin-say stake

By Paul Betts in Paris

PARIBAS, the French privatised financial group, yesterday acquired a stake of nearly 5 per cent for about FF250m (\$40m) in Béghin-say, France's largest sugar producer controlled by the Italian Ferruzzi group.

Paribas bought 550,000 shares in Béghin-say on the bourse where there was heavy trading in the sugar producer's shares. Bourse sources disclosed last night.

The move appears to form part of the French bank's renewed efforts to forge a wide network of alliances with major international financial partners and industrial groups.

The Paribas acquisition was described last night as "friendly" and Ferruzzi is now expected to consider other forms of broader co-operation with Paribas.

The Paribas shares purchase also reflects the French bank's current strategy of boosting its presence in key industrial sectors including the food busi-

ness. The investment in Béghin-say is significant because Ferruzzi has decided to centralise its agri-business activities around the French sugar group, whose consolidated sales as a result will double this year to slightly more than FF200m.

Mr Jean-Marc Vernes, the chairman of Béghin-say, recently said that the aim of Ferruzzi and the French group 56 per cent controlled by Mr Raul Gardini was to become one of Europe's leading agri-business concerns.

The arrival of Paribas in Béghin-say's capital is in turn expected to see the disposal by Compagnie Financière de Suez of its stake in the sugar group.

The share disposal by Suez, which with its rival Paribas is France's other major privatised financial group, appears to reflect Suez's current efforts to absorb its costly investment in the Société Générale de Belgique after its epic takeover battle against Mr Carlo De Benedetti, the Italian businessman.

## Bouygues chief poised to quit as TF-1 chairman

By Our Paris Staff

MR FRANCIS Bouygues, chairman of Bouygues, the leading French construction and media group, is expected to step down today as chairman of the French TF-1 privatised television network, 25 per cent controlled by Bouygues.

Reports suggesting this move thrust the company into the limelight on the Paris bourse yesterday, again stimulating heavy trading in Bouygues shares.

About 250,000 changed hands by mid-session and the Bouygues share price gained more than 6 per cent to trade at around FF625 (\$99).

It is widely expected that Mr Bouygues will continue at the top of his construction group, the world's largest in terms of turnover.

Indeed, his departure from TF-1 had been planned for some time and reflects Mr Bouygues's feeling that the privatised television channel is now performing sufficiently well not to need his direct

day-to-day attention. Mr Bouygues is expected to be succeeded at TF-1 by Mr Patrick Le Lay, TF-1's managing director.

Mr Le Lay has the reputation of being a particularly tough network manager with his eye constantly on viewer ratings.

Bouygues shares have come under siege during the last few weeks on speculation that a mystery "raider" was accumulating shares in the company.

Mr Robert Maxwell, the UK publisher, also disclosed last week that he had acquired a 5 per cent stake in Bouygues to defend his interests and support Bouygues in the event of a hostile bid.

Mr Maxwell is also a shareholder in TF-1, with 13 per cent.

The speculation in Bouygues shares has also been fuelled by rumours that Mr Bouygues's health is failing. However, Bouygues has firmly denied these rumours.

## AMD fall fuels slowdown fears

By Louise Kehoe in San Francisco

ADVANCED Micro Devices, the Silicon Valley semiconductor manufacturer, reported a sharp drop in earnings for the third quarter, compared with the second quarter, fueling fears of a substantial slowdown in the semiconductor and personal computer industries and triggering a broad decline in technology stock prices.

Reporting per share income of six cents, against 29 cents in the second quarter, AMD said it had experienced both cancellations and slowing orders from some of its principal customers in the personal computer industry.

AMD reported net income of

\$45m or six cents per share, on sales of \$285.4m. In the same period of 1987, AMD showed a loss of \$69.8m or 93 cents a share, on sales of \$260.9m. In 1987, income was reduced by charges in connection with the acquisition of Monolithic Memories, another Silicon Valley chip maker.

Commenting on the latest result, Mr W.J. Sanders, chairman and chief executive, said: "The decline in revenues in the summer quarter to levels approximately equal to first-quarter sales may be essentially attributed to decreases in shipments of microprocessors and programmable logic

devices to personal computer manufacturers.

"Demand softened considerably. We believe that a period of digestion of component inventories on the part of our customers will keep a lid on new orders and hence our sales growth for the next several quarters."

A week ago, AMD signalled the slowdown and announced 1,400 lay-offs at its assembly and test facilities in Malaysia and the Philippines. A charge against earnings associated with these actions is anticipated in the fourth quarter, the company said.

## Finland proposes securities market law

By Olli Virtanen in Helsinki

FINLAND is to enact a securities market law that will impose tight rules for insider dealings and disclosure of information. The penalties, according to the Government's proposal presented to parliament, would range from fines to a two-year prison sentence.

The proposal defines insiders in detail. They include the top management of brokerage firms and quoted companies, their supervisory boards, auditors and all deputies.

The proposal seems any use of inside information, obtained accidentally or otherwise by anyone, as illegal. Insiders are only allowed to make

long-term investments for a minimum of six months in publicly quoted companies and they have to keep a public record of their holdings and trading activities during the previous 12 months.

Brokers will be forbidden from "influencing" market prices, they must treat all customers equally and they will have to disclose all trades in their own portfolio within a week to the stock exchange.

A company quoted on the main list of the Helsinki Stock Exchange or on the OTC list will be penalised for disclosing faulty or misleading information.

The proposal requires all listed companies to publish a comprehensive prospectus for a share issue. They will also have to publicise all information that could affect the price of their shares.

Investors will have to disclose the size of their holdings in a publicly quoted company when it exceeds 10, 20, 50 and 66 per cent of the share capital.

The proposal also allows a company to be listed only on one Finnish bourse. In practice this means that plans to set up stock markets in two other Finnish towns, Turku and Tampere, will probably not take off.

## INDIA

The Financial Times proposes to publish this survey on:

20th December 1988

For a full editorial synopsis and advertisement details, please contact:

Hugh Sutton  
on 01-248 8000 ext 3238

or write to him at:

Bracken House  
10 Cannon Street  
London  
EC4P 4BY

FINANCIAL TIMES  
EUROPE'S BUSINESS NEWSPAPER

## NORTHERN IRELAND

The Financial Times proposes to publish this survey on:

Tuesday, 12th October 1988

Topics proposed for discussion include:

OVERVIEW	BANKING
THE ECONOMY	POLITICS
INDUSTRY	INTERNATIONAL SUPPORT
PRIVATISATION	EUROPE 1992
RETAIL & PROPERTY	TRAVEL & TOURISM
COMMUNICATIONS	AGRICULTURE
SMALL BUSINESSES	THE MEDIA
ENERGY	

For a full editorial synopsis and advertisement details, please contact:

BRIAN HERRON  
on 061-834 9381

or write to him at:

Alexandra Buildings  
Queen Street  
Manchester M2 5LF  
Tel: 061 834 9381  
Fax: 061 832 3248

FINANCIAL TIMES  
EUROPE'S BUSINESS NEWSPAPER

New Issue

This announcement appears as a matter of record only.

28th October, 1988

# ICHIKOH

## ICHIKOH INDUSTRIES, LTD.

U.S. \$50,000,000

5½ per cent. Guaranteed Notes 1992

with

Warrants

to subscribe for shares of common stock of Ichikoh Industries, Ltd.  
The Notes will be unconditionally and irrevocably guaranteed by

The Industrial Bank of Japan, Limited

Issue Price 100 per cent.

Yamaichi International (Europe) Limited

IBJ International Limited

Nomura International Limited

Bankers Trust International Limited

Deutsche Bank Capital Markets Limited

Goldman Sachs International Corp.

Kleinwort Benson Limited

KOKUSAI Europe Limited

Morgan Grenfell Securities Limited

Morgan Stanley International

New Japan Securities Europe Limited

Nippon Credit International Limited

Salomon Brothers International Limited

Sanwa International Limited

SBCI Swiss Bank Corporation Investment banking

Tuiheyo Europe Limited

This announcement appears as a matter of record only.



## AVIN INTERNATIONAL CORPORATION

and

## BRODOSPLIT

SHIPBUILDING INDUSTRY "SPLIT",  
YUGOSLAVIA

have completed a

U.S. \$95,600,000

Debt Conversion and Refinancing Transaction

The transaction was initiated,  
structured and executed  
by the undersigned.

September 1988

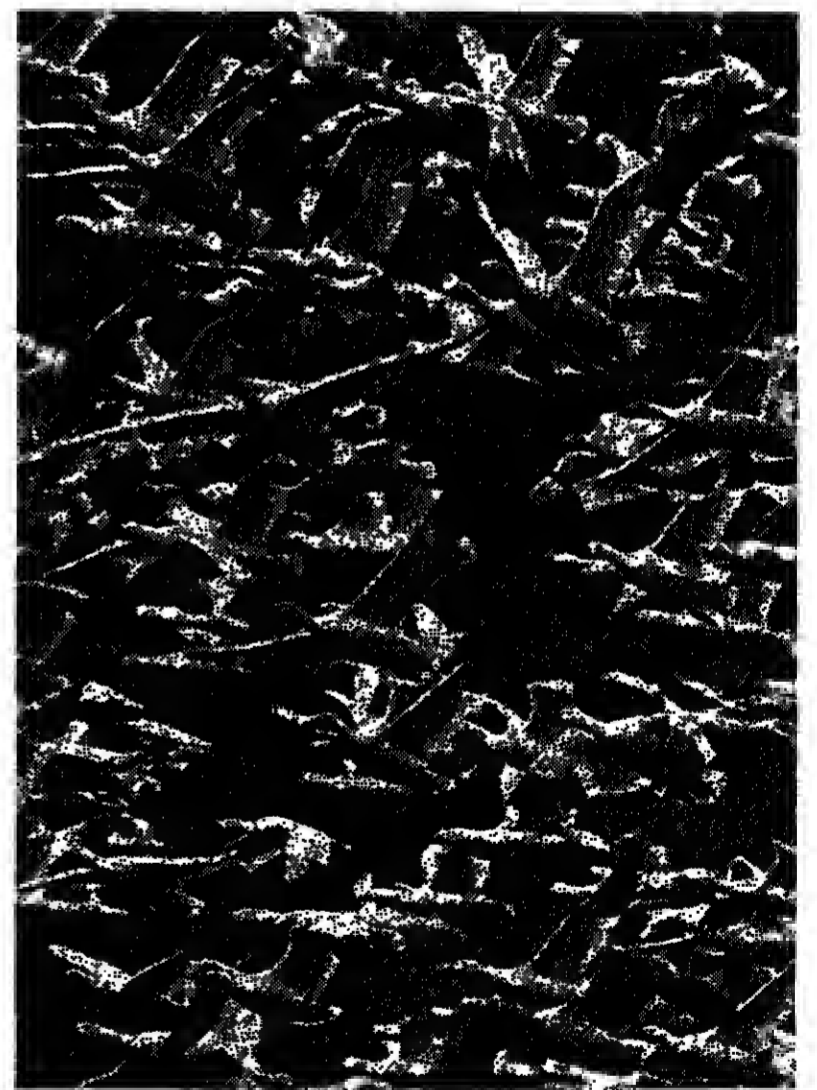
## CITICORP CITIBANK

The above listed transaction was conducted by the following: Citibank, N.A. and Inco International Bank NV.  
© 1988 Citicorp and Citibank are registered trademarks.



# “Assuming risks in global trading requires more than routine assumptions.”

As a worldwide trading power, J.P. Morgan can't rely on routine assumptions. We must anticipate developments and constantly test our appraisals in the marketplace. Also, our leadership position requires that we manage more than routine risks. So we draw on the resources of our entire organisation – our trading teams, our global network, our research, and our market-tested experience – to maintain an up-to-the-moment market viewpoint. In order to meet our own objectives and those of our clients, Morgan has made a strong commitment: being a leader in global finance also means being a leader in global trading.



With the proper perspective, the chaos of small movements can be interpreted within the context of larger ones. Morgan's worldwide trading network provides an overview of global markets that helps clients move in the right direction.

## JPMorgan

© 1988 J.P. Morgan & Co. Incorporated.  
J.P. Morgan is the worldwide marketing name for  
J.P. Morgan & Co. Incorporated and its subsidiaries.  
Morgan Country Trust Company of New York and  
J.P. Morgan Securities Ltd. have applied to TSB.



INTERNATIONAL COMPANIES AND FINANCE

# Nursing a 'wounded pigeon' back to proper flight

Carlo Verri, the new president of Italian state airline Alitalia, talks about his plans to Alan Friedman

Poor old Alitalia. The Italian state airline is a favourite target for jokes, jibes and general criticism by politicians, businessmen and, most of all, by the carrier's long-suffering passengers.

The jibes may refer to the sardine-like discomfort on the airline's ageing domestic fleet. The jokes are legendary ("Alitalia stands for Always Late in Take-off, Always Late in Arrival").

And the criticism, whether it be of the frequently delayed flights on the heavily travelled Milan-Rome route or of the fact that only a few months ago passengers could not get a drink of water or a newspaper, is of a phenomenon that could be described more accurately as a "wounded pigeon" than as the flagship carrier of the world's fifth or sixth economic power.

Now it looks as though Alitalia may be about to get a new lease of life. In an unusual move for Italian state industry, Professor Romano Prodi, chairman of the IRI state holding group that owns majority control of the airline, last July sacked 69-year-old Mr Umberto Nordio, the cantankerous boss of Alitalia since 1978.

Prof Prodi named in his place 49-year-old Mr Carlo Verri, a professional and highly acclaimed manager who is most recently credited with having turned around the Zanussi white goods concern.

Mr Nordio deserves credit for having taken a loss-making airline and turned it around on the financial front: last year Alitalia - the world's 10th-biggest airline in terms of passengers carried (14.2m) - made a £78.4bn (\$62.9m) net profit on revenues of £4,007bn.

However, he was accused by many politicians and fellow executives of abrasiveness and the writing was on the wall last July when Prof Prodi attacked the Alitalia chief for presiding over a company with "a myopic management" and "reactionary policies".

Alitalia may be on a sound financial footing thanks to Mr Nordio, but the airline's shoddy service, partly due to a series of devastating strikes, created a situation that Mr Bettino Craxi, the former Prime Minister, described as "unustainable".

The self-effacing Mr Verri, in a lengthy interview with the Financial Times, was unwilling to engage in any direct criticism of his predecessor. However, he described the Alitalia he has inherited from Mr Nordio as "a big building with its windows closed".

Alitalia's first priority, said Mr Verri, was "to provide better service, become less bureaucratic and to open the windows, which have become dirty".

As while Mr Nordio - in an interview in June - spoke



Carlo Verri: first priority is to 'provide better service, become less bureaucratic and to open the windows'

of the difficulties of getting trade union agreement when asked why Alitalia had not yet instituted a shuttle service on the overcrowded Milan-Rome route, Mr Verri said quite simply that "the shuttle is something that has to be launched and I will do everything I can to start it as soon as possible."

Mr Verri was born in the southern town of Bari in 1939

and in 1962 wrote his thesis on the European Community at the university there. However, he is a Turinese "by adoption" and spent a good chunk of his career working near Turin for RIV-SKF, the ball-bearings maker that was originally owned by the Agnelli family and is now part of Sweden's SKF.

From 1984 until the start of

this month Mr Verri was group managing director of Zanussi, the white goods maker owned by Sweden's Electrolux. In this period he slashed the Zanussi workforce from 19,700 people to 15,000 and brought the company from a £150m loss (in 1984) to a £17.5m profit last year.

Alitalia is, of course, a service company and not a producer of washing machines. However, Mr Verri is confident that "whatever the product, the first thing you have to do is find out what the customer wants, at what price and what conditions, and then give it to him."

So he cancelled most of his August holiday, travelled up and down Italy on Alitalia flights to sample the "product" and then plunged into a round of meetings with the previously hostile union leaders. He has also recruited new private-sector aides, which is even now causing a stir in the politically-flavoured world of Rome state industry.

"My wife said I was crazy to take this job. Apart from the massive cut in my salary, she warned me about going into the hornet's nest of Rome. But I am the first private manager to take a public-sector job without any political allies. The only political ally I execute is when I put my ballot in the box," said Mr Verri.

So what is the Carlo Verri strategy for Alitalia? The gen-

eral goal, he says, is to tap the airline's "unexpressed potential for expansion" by improving domestic service and recouping lost ground internationally. In specific terms, he has several key priorities:

- To achieve better industrial relations and reduce conflict with Alitalia's nine trade unions by "meeting, talking and doing."
- To streamline the enormous bureaucracy inside Alitalia, lobby the Government for better transport links to airports and get quicker investment in ground control equipment. "I want Alitalia people to buy sleeping bags and sit in at the doors of ministries to demand co-operation for common sense projects," he declared.
- To find new international airline partners. Mr Nordio began this by signing a marketing deal with United Airlines in the spring. Mr Verri said: "We have to assume that 1989 will bring private competition to Italy," and wants "ventures, not mergers" with foreign airlines.

The first test of how Mr Verri's no-nonsense business style will fare in Rome is underway. Hackles are rising because he is bringing in new faces. However, Prof Prodi is pledging full support to the new Alitalia chief, who says that from a career point of view, "Alitalia is my last and highest challenge and a very sexy company."

## 1992?

No hay problemas  
Mijnheer!

**BRITISH VITA PLC**  
British Vita PLC, Middleton, Manchester M24 2DB.  
Tel: 061-643 1133. Telex: 061-643 5411.

INTERNATIONAL LEADERS IN POLYMER, FIBRE AND FABRIC MATERIALS AND TECHNOLOGY. SERVING THE FURNISHINGS, TRANSPORTATION, APPAREL, PACKAGING AND ENGINEERING INDUSTRIES.

## Al Saudi Banque to be split in two under rescue terms

By George Graham in Paris

THE RESCUERS of the troubled Al Saudi Banque yesterday announced further details of their lifeboat operation for the French banking group.

The bank, which, according to its rescuers was "within hours of bankruptcy" before they stepped in at the request of the Bank of France last week, will be split into two for tax reasons.

The legal entity of the bank and its liabilities will be bought for a symbolic FFfr by Thomson-CSF Finance, the defence and electronics group which has diversified into finance.

It will be merged with Société de Thomson, Thomson's existing internal bank, and Thomson Credit International, specialising in defence export credits.

The assets of Al Saudi, meanwhile, will be transferred to a separate new bank with an eventual capital of FFfr600m (\$94.6m).

The new bank, whose name

has not yet been decided, is expected to be owned 35 per cent by Banque Indosuez, the leading French investment bank which has taken over management of Al Saudi; 30 per cent by Al Bank Al Saudi Al Fransi, Indonesia's 40 per cent-owned Saudi Arabian associate Al Saudi Al Fransi; 30 per cent by the Hariri group of Saudi Arabia; and 5 per cent by Thomson.

Al Saudi's FFfr2.1bn liabilities are to be compensated by FFfr1.6bn to be raised from the entire French banking industry, comprising more than 2,000 French and foreign banks, and a further FFfr2.7bn from a consortium of its major bank creditors.

These include Thomson, which has already made provisional commitments of FFfr120m for its FFfr500m exposure, and Credit Agricole.

Both tranches will take the form of interest-free deposits granted for four years and three months, and banks may buy exemption deposit for a

cash payment.

The Bank of France has been criticised by some banks and financial analysts for calling on the entire French banking industry to contribute to the rescue while allowing foreign depositors to recover all their money.

Some French bankers have called for the creation of an independent entity similar to the US Federal Deposit Insurance Corporation to ensure that future bank bail-outs are handled coherently.

The Bank of France has defended its action, saying that it is in the best interests of Paris as a financial centre.

It notes that Banking Commission regulators had already twice demanded capital injections from Al Saudi's shareholders - FFfr50m of equity and a \$10m subordinated loan in 1984 and FFfr200m of equity with a \$25m subordinated loan in 1986 - before being driven to this rescue operation.

## Lazard to invest in Indian bank

By R.C. Murthy in Bombay

LAZARD BROTHERS of the UK is to take a 25 per cent stake in Credit Capital Finance Corporation (CCFC), an Indian merchant bank, the first time the Indian Government has allowed an overseas merchant bank to enter the country's services sector.

Lazard will invest Rs5m (\$345,900) in the expanded Rs25m capital of CCFC, which has been promoted by prominent Indian business groups such as Birla, Reliance and Thapar.

Mr Udayan Bose, CCFC chairman, said the association with Lazard would enhance CCFC's capabilities in advising domestic mergers and acquisitions.

Mr John Scott of Lazard added that the move would give CCFC access to the international client base of Lazard.

CCFC has helped finance a \$20m Bahrain airport complex project for which Voltas, a Tata company, has been awarded an air conditioning contract.

## Perstorp jumps by 41% to SKr605m

By Sara Webb in Stockholm

PERSTORP, THE Swedish specialty chemicals and plastics group, yesterday reported a 41 per cent jump in profits (after financial items), to SKr605m (\$96m) for the year ended August 31 1988, compared with SKr430m in the previous financial year.

The group proposed raising its dividend by a third from SKr2.40 to SKr3.20.

Perstorp said it had been helped by a strong result in the last four months of the financial year, with the group's investments in new products and plants paying off in 1987/88. A number of small but strategic acquisitions had also helped boost specific business areas.

Group sales increased by 21 per cent to SKr5.1bn for the year. Acquisitions alone gave a 7 per cent increase in sales, while improved price and product mixes accounted for a further 5 per cent increase in sales and higher volumes accounted for the remaining rise.

The group invested SKr540m in plants and acquisitions during 1987/88, up 64 per cent on the previous year.

Perstorp's surface materials division, its largest business area, reported a 31 per cent rise in sales to SKr1.346bn and, through two acquisitions, strengthened its position as Europe's leading producer of decorative laminates.

The division bought Vikalite, Spain's second-largest manufacturer of decorative laminates with a turnover of SKr85m. More recently, it bought Ewopar, the Danish subsidiary of Finland's Metsa-Serla, which makes screen coverings and other laminated components.

The specialty chemicals division, Perstorp's second-largest division, boosted sales by 23 per cent to SKr934m.

It bought Montedison's plant for the manufacture of formaldehyde and sodium formate in Castellanza, Italy, which has a turnover of about SKr200m.

### CHANNEL ISLANDS

The Financial Times proposes to publish this survey on:  
Thursday, 15th December 1988

For a full editorial synopsis and advertisement details, please contact:  
**BRIAN HERON**  
on 061 834 9381 (telex 666813)  
(fax 061 832 9248)

FINANCIAL TIMES  
EUROPE'S BUSINESS NEWSPAPER

## Den Danske Bank

at 1871 Aktieselskab

### U.S. \$40,000,000

Subordinated Floating Rate Notes due 1990

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months, 11th October, 1988 to 11th April, 1989 has been fixed at 8 3/8 per cent per annum and that the coupon amount payable on coupon No. 13 will be U.S.\$11,217.01

The Sumitomo Bank, Limited  
Agent Bank

## Apple executive to quit

By Louise Kehoe in San Francisco

ONE OF Apple Computer's top executives has announced plans to leave the company, Mr Delbert Yocam, one of four group presidents at Apple, said he would resign in November 1989, after 10 years with the company.

Formerly chief operating officer, Mr Yocam was recently reassigned to the position of president of Apple's education and Pacific divisions in a management reshuffle at Apple.

The new job was widely seen as a demotion, but Mr Yocam claimed he had been seeking an opportunity to return to "hands-on management" after spending two years as the

number two executive at Apple.

Mr Yocam, 44, joined Apple in 1979 when it was a two-year-old company with sales of \$48m. Apple is expected to report sales of about \$4bn for fiscal 1988, which ended in September.

He championed the future of the Apple II at a time when the company was focusing most of its energy on higher-performance Macintosh personal computers. Mr Yocam also oversaw Apple's recovery from a period of disruption following the resignation in 1985 of Mr Steve Jobs, co-founder and former chairman.

£100,000,000

### BRADFORD & BINGLEY BUILDING SOCIETY

Floating Rate Notes Due 1998

Interest Rate	12 3/4% per annum
Interest Period	6th October 1988 6th January 1989
Interest Amount per £10,000 Note due 6th January 1989	£307.19

Credit Suisse First Boston Limited  
Agent Bank

U.S. \$200,000,000

### Hydro-Quebec

Floating Rate Notes, Series FV, Due May 2005

Interest Period	5th May 1988 7th November 1988
Interest Amount per U.S.\$10,000 Note due 7th November 1988	U.S.\$426.95

Credit Suisse First Boston Limited  
Agent Bank

### NOTICE OF REDEMPTION

#### MORTGAGE INTERMEDIARY NOTE ISSUER (No. 1) AMSTERDAM B.V.

##### £50,000,000 Mortgage Backed Floating Rate Notes 2010

NOTICE IS HEREBY GIVEN by Bank of America National Trust and Savings Association as Principal Paying Agent to the holders of the above Notes that, pursuant to the Trust Deed dated 5th February, 1985 under which the said Notes were constituted, outstanding Notes in aggregate principal amount of £1,500,000 have been selected for redemption on 11th November, 1988 at their principal amount of £25,000 bearing the following serial numbers:

0005	0006	0013	0118	0160	0161	0168	0184	0196	0197
0271	0272	0311	0318	0319	0320	0322	0323	0709	0710
0712	0713	0716	1133	1134	1142	1144	1301	1302	1306
1307	1311	1312	1313	1314	1315	1632	1634	1753	1754
1755	1757	1758	1759	1760	1761	1763	1802	1803	1843
1923	1924	1935	1936	1940	1955	1956	1957	1965	1981

Notes bearing these serial numbers should be surrendered to (i) Bank of America National Trust and Savings Association, 25 Cannon Street, London EC4A 3DF or at the option of the holder (ii) to the offices of Bank of America National Trust and Savings Association in Antwerp, Zurich or Luxembourg as specified thereon.

After 11th November, 1988 any unattached Coupons relating to such Note (whether or not attached thereto) shall become void and no payment shall be made in respect of and no talon shall be exchanged for such Coupons. Notes outstanding after 11th November, 1988 will aggregate to £19,550,000.

Dated: 11th October, 1988.

**Bank of America**  
Bank of America NT&SA

### Cyprus Airways lifts earnings by 77%

CYPRUS AIRWAYS, the island's national carrier, had a record year in 1987 with net profits of £23.7m (\$7.8m), up 77 per cent from the previous year, said Mr Stavros Galataridis, chairman, writes our Financial Staff.

Mr Galataridis said the passenger load factor had risen to 77.4 per cent in 1987, compared to 72.4 per cent in 1986. This was the major contributory factor to the increased profit.

The airline carried 837,547 passengers, a 13.6 per cent rise.

### PAN - HOLDING Societe Anonyme Luxembourg

As of September 30, 1988, the unconsolidated net asset value per share amounted to USDOL 259,788,642.68 i.e. USDOL 422.42 per share of USDOL 100 par value.

The consolidated net asset value per share amounted, as of the same date to USDOL 429.51.

### CITY FEDERAL SAVINGS BANK

Collateralized Floating Rate Notes due October 1993

New Rate of Interest 8.475% p.a.  
Interest Payment Date: January 11, 1989  
Interest Period: 10/11/88 to 1/11/89  
Coupon No. 9

By Citibank, N.A., C.S.S.I. Dept., Fiscal Agent  
October 11, 1988 London, Agent Bank

### Notice of Redemption IRELAND £50,000,000 FLOATING RATE NOTES 1993

NOTICE IS HEREBY GIVEN pursuant to Condition 6(b) of the Notes Ireland has elected to redeem on November 18, 1988 (the "Redemption Date") all of its outstanding Floating Rate Notes due 1993 (the "Notes") at a redemption price equal to the principal amount thereof plus interest accrued to the Redemption Date. On and after the Redemption Date, interest on the Notes will cease to accrue.

The Notes should be presented and surrendered to the paying agents as shown on the Notes on the Redemption Date with all interest coupons maturing subsequent to said date.

Coupons due November 18, 1988 should be detached and presented for payment in the usual manner.

October 17, 1988, London  
By: Citibank, N.A. (C.S.S.I. Dept.), Fiscal Agent **CITIBANK**

### The Hongkong and Shanghai Banking Corporation

(Incorporated in Hong Kong with limited liability)

#### U.S. \$400,000,000 PRIMARY CAPITAL UNDATED FLOATING RATE NOTES (THIRD SERIES)

Notice is hereby given that the Rate of Interest has been fixed at 8.75% and that the interest payable on the relevant Interest Payment Date January 11, 1989 in respect of \$5,000,000 nominal of the Notes will be \$111.81 and in respect of \$100,000 nominal of the Notes will be \$2,286.11.

October 11, 1988, London  
By: Citibank, N.A. (C.S.S.I. Dept.), Agent Bank **CITIBANK**

### U.S. \$100,000,000 Takugin International (Asia) Limited

(Incorporated in Hong Kong)

#### Guaranteed Floating Rate Notes due 1997

Guaranteed as to payment of principal and interest by The Hokkaido Takushoku Bank, Limited (Incorporated in Japan)

In accordance with the provisions of the Notes, notice is hereby given that for the six month interest period from October 11, 1988 to April 11, 1989 the Notes will carry an interest rate of 8 3/4% per annum. The interest amount payable on the relevant interest payment date, April 11, 1989 will be U.S.\$1,296.01 for each Note of U.S.\$10,000 denomination and U.S.\$12,960.01 for each Note of U.S.\$250,000 denomination.

By: The Chase Manhattan Bank, N.A. London, Agent Bank **CHASE**  
October 11, 1988

### Shearson Lehman Brothers Holdings Inc.

(Incorporated in Delaware)

#### U.S. \$300,000,000 Floating Rate Notes Due October 1996

For the three months 11th October, 1988 to 11th January, 1989 the Notes will carry an interest rate of 8.63375 per cent per annum and interest payable on the relevant interest payment date 11th January, 1989 will amount to U.S. \$222.17 per U.S. \$10,000 Note.

By Morgan Guaranty Trust Company of New York, London Agent Bank



INTERNATIONAL COMPANIES AND FINANCE

**CCF stake acquired by Taiyo Mutual**

By Paul Bettis in Paris

**TAIYO MUTUAL** Ltd, Japan's sixth largest life insurer, has acquired a 5 per cent stake in Credit Commercial de France (CCF), the French privatised banking group.

CCF described the Japanese stake as a "friendly investment" strengthening the ties between the French bank and the Japanese life company, which formed a joint investment management company at the end of August.

With 5 per cent of CCF's capital, Taiyo Mutual has joined a series of other foreign investors in the hard core shareholding structure of the French banking group led by Mr Michel Pichon. The other foreign shareholders include New York Life Insurance, Nikko Securities, Kleinwort Benson, BHF Bank and Westdeutsche Landesbank.

The acquisition appears to have been behind the large trading volume in CCF shares in recent sessions on the Paris bourse.

**Mountain move**

**MOUNTAIN COMPUTER**, a privately held California maker of tape-drive equipment, is to be acquired by Nakamichi Corporation of Tokyo for \$45m. AP-DJ reports from New York.

Nakamichi will gain access to US retail distribution channels. For Mountain, the move represents a chance to make a strategic alliance with California Peripherals, the original equipment manufacturer that acts as the exclusive distributor for Nakamichi's computer peripheral products.

**Keppel takeover**

**KEPPEL**, the Singapore state-controlled shipyard group, has offered to take over the minority of Sim Lim Finance. It does not already own, valuing the company at some \$27.3m (US\$13.4m). Our Financial Staff writes.

Keppel recently gained 51 per cent of Sim Lim through the issue of 4.78m new Keppel shares. It is now offering three new shares for every eight in Sim Lim, or \$41.09 cash.

**Idemitsu buys mine**

**IDEMITSU KOSAN** of Japan has acquired the Rhebenstein coal mine in Queensland, AP-DJ reports from Brisbane.

Allied Queensland Coalfields in May sold a 49 per cent stake in the mine to the Japanese company for A\$14.7m (US\$11.8m) and said yesterday it had sold the rest for A\$15.5m.

**Pacific Dunlop bid**

**PACIFIC DUNLOP**, the Australian industrial group, said yesterday its A\$100m (US\$104m) agreed bid for Nuclens, a medical technology company, had exceeded the 90 per cent acceptance level and would proceed to compulsory acquisition. Reuters reports from Melbourne. A bid for Electronics Holdings, Nuclens's 53 per cent associate, remained subject to a 90 per cent entitlement condition.

**CRA-North Broken Hill unit to make public share issue**

By Chris Sherwell in Sydney

**CRA** and North Broken Hill, the Australian resource companies which are linking their lead and zinc activities, are to make an issue of shares in Pasminco, the merged unit, in order to broaden its base.

The two groups said yesterday they had agreed in principle to a public issue of about 20 per cent of the capital in Pasminco, and that priority would be given to North and CRA shareholders.

CRA's main shareholder, with 49 per cent of the company, is RTZ of the UK. North Broken Hill merged with Peko-Wallend late last year, and has Elders Resources has a 22 per cent shareholding.

Details of the issue are being finalised with financial adviser Pöfster, Partners, part of the S.G. Warburg group.

The establishment of Pasminco is still subject to the authorisation of the Trade Practices Commission, Australia's anti-trust agency. The intention is that Pasminco will control the lead and zinc mining, smelting and international marketing activities of CRA and North, making it one of the largest groups of its type in the world.

When the merger was announced in June, it was envisaged that each company would hold 50 per cent of Pasminco. Now there will be public shareholders and two of Pasminco's eight directors will have no relationship to either CRA or North.

In a separate announcement yesterday, CRA said it was to purchase 90 per cent of Capitol Castings of Phoenix, Arizona, for an undisclosed sum. CRA said Capitol was a foundry-based business, producing corrosion-resistant iron and steel products for the mining and manufacturing industries.

Western Mining is seeking to develop its base metals interests, according to Sir Arvi Farbo, the chairman. Reuters writes from Melbourne.

Sir Arvi, releasing Western Mining's annual report, said of the company's lead and zinc exploration in the Throssell Range of northern Western Australia, "We are looking for a big one... a world class ore body."

The company would also decide in the next two months whether to spend up to A\$370m (US\$295.5m) on a high analysis fertilizer plant at a phosphate deposit near Mount Isa in Queensland.

**York Hannover to acquire Coutinho Caro**

By John Wicks in Zurich

**YORK HANNOVER** Holding of Lucerne is to buy Coutinho Caro, the large Hamburg-based trading and engineering company, from McDermott International, the diversified US industrial and construction group, for an undisclosed price.

McDermott had treated Coutinho Caro, an international trading company specialising in steel and non-ferrous metals, as a diversified business since April 1987. Coutinho Caro is also active in plant construction and other building operations. Annual turnover is given as in excess of DM1bn (\$537m).

York Hannover is controlled by Mr Karsten von Wersebe, a German-Canadian businessman. Its activities include trading operations, real-estate investments and the development of hotels and resorts.

The takeover of the German company will strengthen its position in the trading sector, where it already has stakes in four concerns, two of them also based in Hamburg.

The transaction is also seen as opening up new opportunities for Coutinho Caro in the construction industry, possibly in connection with York Hannover projects in Germany and non-European countries.

Compagnie Financière Michelin, the Swiss financial affiliate of the French Michelin group, is to create SFY197,im (\$124.8m) in new capital through one-for-four rights issues applying both to its registered and bearer shares.

Further bearer shares may be issued later, either in connection with a convertible or warrant bond transaction or to profit from any emerging market opportunity.

**Spanish challenge for Salomon**

Peter Bruce on the search for a buyer of Alcan's stake in Inespal

**S**alomon Brothers, the Wall Street investment bank, opens a Madrid office this month with a difficult job on its books: finding a buyer for 24 per cent of Inespal, the Spanish state-controlled aluminium holding company.

The stake is being sold by Alcan, the Canadian aluminium giant, which joined Inespal in a restructuring of the industry three years ago. The Government has made it clear it is not in the market for more of Inespal than it already has.

The decision to sell has taken the Spanish by surprise, not least because Inespal, helped by buoyant world aluminium prices, is expected to make record profits this year.

Mr Fernando Rubio Fernandez, Inespal's chairman, is sanguine about the move, however. "I suppose 24 per cent in a company like Inespal is not very interesting for a company like Alcan," he suggests, and insists it will not make life at Inespal too difficult. Clearly, Inespal management and Alcan have had disagreements. "We have an important relationship with Alcan but our industrial and financial policies are different," he says.

Selling the stake is Alcan's problem, Mr Fernandez points out, though "we would like the buyer to be connected with the aluminium industry." Reyn-

olds Metals of the US is the one other foreign aluminium company which has a presence in Spain - producing extrusions and foil - but it is not known if that group has shown an interest in Inespal.

The past three years have been dramatic for Spain's aluminium producers. Inespal grew out of a merger in December 1985, when aluminium prices were falling rapidly, of the country's two biggest groups: Empresa Nacional del Aluminio (Endasa), in which Alcan had a 36 per cent stake and which constantly lost money, and the profitable Aluminio de Galicia, where the French producer Pechiney was the majority shareholder.

Pechiney left Spain then, rather than trying to join forces with Alcan, and Alcan's departure will leave Reynolds the only aluminium major in the country.

Inespal has had to contend with a damaging strike that almost crippled its only modern smelter, the 190,000 tonnes a year San Ciprian deep-water facility in Galicia.

Last December a freighter bound from Holland and carrying a toxic cargo burst into flame off the Galician coast. When some of that cargo arrived at the San Ciprian company port for temporary storage, the entire workforce walked out in protest, leaving

**ALUMINIUM IN SPAIN**

1987	Tonnes
Primary output	183,582
San Ciprian	80,591
Aviles	78,882
La Coruna	112,000
Finished sales	23,500
of which exported	

aluminium to harden in the plant's converter.

The breakdown of the country's biggest smelter forced Inespal to import supplies and it took about five months to return to normal operations. A long court appeal by 130 workers, who were dismissed after the walk-out, sapped management morale not least because the workers won.

Inespal is trying from its insurers to collect the Ptalibm (\$20.2m) the strike cost, and it is confident it will succeed. Even so, the recovery in aluminium prices since the beginning of 1986 has, it seems, helped put the group on target for very good results this year.

Last year's Ptalibm group net profit on a turnover of Ptalibm would have been its first for 10 years had it been operating as a unit for that long. The company is installing a hot mill at its Amorebieta complex near Bilbao, and modernising its Sabhanigo foil

and Alicante coal mills.

For all that, though, Mr Fernandez, a former financial director of INI, the state holding group which controls Inespal, readily concedes that his group is not exactly a leader in aluminium technology. "We don't have the technical capacity," he says, "but we haven't just said to ourselves that it will always be like this. Each thing in its time." The priority, he says, is to improve processes and then products.

INI's plans for Inespal are unclear. Normally, a state-owned group becoming profitable in modern Spain would immediately generate speculation about privatisation. That has not been the case with Inespal, and Mr Fernandez says he does not concern himself with the possibility. The Spanish bourses are already under a lot of pressure to absorb fixations of the Repsol energy group next year and the Iberia airline in 1990, and it may be that Inespal will be allowed to remain at the back of a long queue.

Anyway, the Government is about to get a fairly good idea of how attractive Inespal is as Salomon goes about selling the Alcan stake. A reported asking price of Ptalibm has been roundly denied in Madrid. With aluminium prices potentially close to a peak, no one wants to scare off a buyer.

**Brierley and Carter Holt buy UEB Packaging**

By Our Financial Staff

**BRIERLEY INVESTMENTS** (BIL) and Carter Holt Harvey, two of New Zealand's biggest companies, are to create the country's largest packaging group by taking joint ownership of the local UEB Packaging and combining it with Printpac, their existing partnership in the industry.

The purchase is being made from New Zealand Equities, an investment company. No price was disclosed, but the operations are said to have annual sales of NZ\$120m.

Excluded from the deal are a consumer products and bags side and UEB's joint operations with the Australian-owned Kiwi Packaging. Amcor, the leading Australian packaging group, will buy UEB's half of packaging operations previously run jointly between those two companies.

BIL and Carter Holt said their venture would give better flexibility and access to finance.

First Pacific, a Hong Kong investment group, has taken 40 per cent of Stenial, a Philippines maker of cardboard boxes, as part of a venture with local investors valued at 141m pesos (\$6.9m).

**Anyone can package an ADR**  
**We know how to wrap it up**

**A**MERICAN INVESTORS are no different to those elsewhere; they need to feel comfortable with their investments. They seek timely, reliable information and a liquid market; in short, they want to be kept in touch.

For our corporate clients in the UK and Europe, the key benefit of an American investor base is the same as a following anywhere else in the world: the wider the interest, the lower the potential cost of capital.

For each corporate client, therefore, we evaluate the benefits of involvement in the American market, just as we examine those of a Japanese listing or Euro-equity issue.

Simply creating an ADR is straightforward. But to achieve an enduring impact requires effective and sustained communications directed at investors and potential investors alike.

To support our corporate clients' American investor base, we offer a powerful combination of strengths.

First, research. Not only do we follow, on a continuous basis, more than 1,500 UK and European stocks; we also deliver our findings direct to American investors in the formats they prefer.

Secondly, distribution. Our sales teams in New York, Boston and San Francisco have specialized knowledge of non-domestic stocks and developments. Through them, we maintain regular contact with most American investors holding foreign stocks. This, together with our experience of US procedures, allows us to conduct operations in the primary market.

Thirdly, liquidity. As one of the leading market-makers across the range of UK and European stocks, our capital is committed to allow American investors - in common with those elsewhere - to be assured of continuous markets in those stocks.

Whatever the place of an ADR in your strategy, consider these fundamental questions. Who, in a world-wide market, can face the pressures with you day by day? Who can help you tailor your transactions to suit both your needs and the markets' changing moods? Who, in short, will work beside you rather than merely for you?

Warburg. A world of finance



**WARBURG SECURITIES**

S.G. Warburg, Akeroyd, Rowe & Pitman, Mullens Securities Ltd.

London □ New York □ Tokyo  
Auckland □ Boston □ Geneva □ Hong Kong □ Melbourne □ Milan □ Paris □ San Francisco □ Singapore □ Sydney □ Toronto

**U.S. \$250,000,000**

**Republic of Indonesia**

**Floating Rate Notes Due 1993**

Interest Rate	8 1/4% per annum
Interest Period	11th October 1988 11th April 1989
Interest Amount per U.S. \$10,000 Note due 11th April 1989	U.S. \$451.84

Credit Suisse First Boston Limited  
Agent Bank

**U.S. \$200,000,000**

**Eni International Bank Limited**  
(Incorporated with limited liability under the laws of the Commonwealth of The Bahamas)

**Guaranteed Floating Rate Notes due 1991**

Unconditionally and irrevocably Guaranteed as to payment of principal and interest by

**Ente Nazionale Idrocarburi**  
(A Public Corporation of the Republic of Italy)

Notice is hereby given, that for the three months interest period from October 11, 1988 to January 11, 1989 the Notes will carry an interest rate of 8 1/4% per annum. The interest payable on the relevant interest payment date, January 11, 1989 will be U.S. \$215.83 per U.S. \$10,000 principal amount of Notes.

By: The Chase Manhattan Bank, N.A.  
London, Agent Bank

October 11, 1988



FT GUIDE TO WORLD CURRENCIES

The table below gives the latest available rates of exchange (rounded) against four key currencies on Monday October 10, 1988. In some cases the rate is nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Table with columns: COUNTRY, £ STG, US \$, D-MARK, YEN (x 100), COUNTRY, £ STG, US \$, D-MARK, YEN (x 100). Lists various countries and their exchange rates.

Abbreviations: (a) Free rate; (b) Banknote rate; (c) Commercial rate; (d) Controlled rate; (e) Essential imports; (f) Financial rate; (g) Exports; (h) Non commercial rate; (i) Business rate; (j) Buying rate; (k) Selling rate; (l) Market rate; (m) Differential rate; (n) Preferential rate; (o) Parallel rate; (p) Parity rate; (q) Seller rate; (r) Tourist rate; (s) Some data supplied by Bank of America, Economics Department, London Trading Centre. Enquiries: 01 634 4560/2. Monday October 10, 1988

INTERNATIONAL CAPITAL MARKETS

Strong day for sterling helps gilts to advance

By Simon Holberton

UK GILTS closed with gains of up to half a point following a strong day for the pound and signs of foreign demand for stock in the 10-year area. The market was also encouraged by a 0.5 per cent fall in seasonally-adjusted producer input prices and an unadjusted rise in the 12 months to September of 3.2 per cent. A rise in output prices to 5 per cent in this period was seen as reflecting a lagged response to higher input prices earlier in the year.

years or more below 9 per cent. The 9 per cent Treasury 2008s closed around 9 per cent after having traded below that level earlier in the day.

GOVERNMENT BONDS

THE BANK of England will this morning hold its first auction of UK Treasury Bills denominated in European Currency Units. The market expects them to be well received with retail demand seen as coming from central banks.

On Life, the long gilt contract closed at 9 7/8 compared with an opening of 9 1/8 and a close on Friday of 9 1/8. By the close of trading, 20,589 contracts had been traded - a reasonable number by recent experience but down on the level of the same period a year ago.

The Bank is offering Eurobills consisting of £200m one-month bills, £500m three-month bills and £200m six-month bills.

Dealers said the market had been encouraged by the strength of the pound and general optimism over the outlook for inflation in the wake of weaker oil prices. Yields in the 10-year area are still above 10 per cent and, with the strength of the pound, against the D-Mark, some houses reported Continental interest.

The stronger tone of the market was not, however, enough to sustain yields of 15 WEST GERMAN bunds posted

BENCHMARK GOVERNMENT BONDS

Table with columns: Coupon, Rate, Price, Change, Yield, Next Month, Age. Lists benchmark government bonds like UK Gilts, US Treasury, Japan, Germany, France, Canada, Netherlands, Australia.

good gains yesterday in a day of active trading following through a rally which started late on Friday in the wake of the US Treasury market's strong response to US September jobs data. The average yield on all outstanding public paper with a remaining maturity of three years and less fell to 6.28 per cent, the lowest level since mid-1987.

Turnover yields fell through the psychologically important 6.5 per cent barrier with the latest 6 1/2 per cent bond issue gaining 55 basis points to yield 6.46 per cent down from 6.94 per cent at the fixing on Friday. Turnover was high and concentrated at the morning session with activity quietening down after lunch.

OMF, THE independent French stock index futures market, was approved by future market regulators as an authorised exchange.

The approval is viewed by Paris financiers as an important breach in the French tradition of maintaining a single centralised marketplace for financial instruments.

OMF, based on a similar Swedish market, will have shareholders drawn from among the leading French banks - the challenger to the "official" stock index future market on the Maffi financial market.

The OMF market rules need to be approved by the Commission des Operations de Bourse and the finance ministry.

OMF officials said yesterday that the new market had already proved its liquidity with turnover of between 500 and 1,000 contracts a day, but that opening to fund managers would increase this liquidity.

TRADE INDEMNITY CREDIT REPORT SERVICES 01-739 4311

DENSITRON INTERNATIONAL PLC Interim Report 1988 GROUP PROFIT AND LOSS ACCOUNT (Unaudited) for the six months ended 30 June 1988. Table with columns: Year to 31st December 1987, 6 months to 30th June 1988, 6 months to 30th June 1987. Rows include Turnover, Trading Profit, Interest Payable, Share of Profit (Losses), Taxation, Minority interests, Profit for the period, Earnings per share, Dividend per share.

AMENDED NOTICE Central American Bank for Economic Integration (CABEI) U.S. \$20,000,000 Floating Rate Serial Notes due 1994 For the six months 11th October, 1988 to 11th April, 1989. In accordance with the provisions of the Notes, notice is hereby given that the rate of interest has been fixed at 9 1/8 per cent per annum, and that the interest payable on the relevant interest payment date, 11th April, 1989 against Coupon No. 20 will be U.S. \$204,374.

KENYA 25th Anniversary of Independence The Financial Times proposes to publish a Survey on the above on DECEMBER 12TH For a full editorial synopsis and advertisement details, please contact: HUGH SUTTON on 01-248-8000 ext 3238 or write to him at: Bracken House, 10 Cannon Street London EC4P 4BY. FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on October 10

Table with columns: US DOLLAR, YEN STRAIGHTS, OTHER STRAIGHTS, DEUTSCHE MARK, SWISS FRANGE. Lists various international bonds with columns for Issued, Bid, Offer, Week, Yield, Price, Change, Yield, Next Month, Age.



MARKETS  
ling  
ice

10/11/88

INTERNATIONAL CAPITAL MARKETS

Sea-change for Austrian privatisation

Judy Dempsey on a shift in emphasis for the Government's share sales programme

It is Austria's socialist-led coalition Government which is privatising merely to contain the budget deficit...

on the Government's part. It was widely suggested that its main aim was to prop-up its huge budget deficit...

What makes the Verbund flotation different to previous state offerings is the structure of the sale. Equally important is the prevailing mood on the bourse.

of free shares for long-term investors. Clearly the Government has given a lot of thought to the way the flotation should be packaged.

The Government is firmly committed to a programme extending the sale of some of the more successful elements within the state-owned industries...

Indeed, Schöbn of income earned from the Verbund offering will go directly towards subsidising the Government's new technology fund...

But unlike the OEMV or Austrian Airways flotations, the Government is selling a maximum 40 per cent. It has set the nominal price at the lowest and legally permitted denomination of Schöbn.

In the meantime, the next test for the Vienna bourse will be the Government's sale of a 20 per cent stake in Vorarlberg Kraftwerke, a regional utility...

Holiday in Japan and US leads to subdued trading

By Dominique Jackson

HOLIDAYS in Japan and the US were the factors subduing activity in the Eurobond market yesterday...

which Warburg was the arranger and underwriter, as well as a conventional domestic bond issue.

Three public issues in the Swiss franc market met a warm reception yesterday. Credit Suisse led two - a SFr125m 10-year deal for French government guaranteed Calesse Centrale de Co-operation Economique...

INTERNATIONAL BONDS

interest payments, designed to appeal to investors offshore. The issue, which reportedly provided the Halifax with an extremely attractive cost of funds...

Société Générale led the first 10-year Canadian dollar issue since early June, a deal pitched at 10 1/2 per cent and 101.45 for the Province of Quebec...

IADB and EC sign accord on Latin America

By Our Financial Staff

THE Inter-American Development Bank (IADB) and the European Community have agreed to strengthen co-operation aimed at encouraging and supporting private European investments in Latin America.

Co-managers earn higher fees

By Norma Cohen

LEAD MANAGERS of Eurobonds are increasing the fees they pay to co-managers who help sell them, according to figures from the International Primary Market Association.

Stabilisation is a procedure whereby lead managers buy-up bonds at a price high enough to keep the issue close to its launch price.

IPMA board members also approved two recommendations relating to the behaviour of lead managers who want to increase the size of a previously launched deal.

Former minister to head Spanish SE commission

By Our Financial Staff

MR LUIS Carlos Croissier, Spain's former socialist minister of industry, is to head the country's new stock exchange regulatory commission.

NEW INTERNATIONAL BOND ISSUES

Table with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Book runner. Includes entries for CANADIAN DOLLARS, AUSTRALIAN DOLLARS, STERLING, D-MARKS, SWISS FRANCES, SFR, ECUs, Lira, and GULDFRENS.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: Index No., Day's Change, Est. Yield, Cons. Div. Yield, Est. Div. Yield, Index No., Index No., Index No., Index No., Year ago (approx).

FIXED INTEREST

Table with columns: Index No., Day's Change, Est. Yield, Cons. Div. Yield, Est. Div. Yield, Index No., Index No., Index No., Index No., Year ago (approx).

LONDON MARKET STATISTICS

Table with columns: Rises, Falls, Same. Includes categories like British Funds, Corporate, Industrial, Financial and Properties, etc.

LONDON RECENT ISSUES

Table with columns: Issue Price, Amount, Date, High, Low, Stock, Change, etc.

FIXED INTEREST STOCKS

Table with columns: Issue Price, Amount, Date, High, Low, Stock, Change, etc.

RIGHTS OFFERS

Table with columns: Issue Price, Amount, Date, High, Low, Stock, Change, etc.

INTERNATIONAL OPTIONS

Table with columns: Option, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

LONDON TRADED OPTIONS

Large table with columns: Option, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Includes sub-sections for CALLS and PUTS.

FT-SE 100 SHARE INDEX: 1844.1 -8.1 1842.2 1844.1 1847.7 1853.3 1862.3 1867.3 1882.1 2138.5



INTERNATIONAL COMPANIES AND FINANCE

# Sara Lee wins approval to purchase Bic stake

By Our Financial Staff

MR PIERRE BEREGOVY, the French Finance minister, said yesterday he has given the go-ahead for the sale of a stake in Société Bic's Dim stockings and underwear subsidiary to Sara Lee, giving the US foods and consumer products group majority control.

Bic agreed in principle in January to sell the 31 per cent stake in Dim to Sara Lee this year for FF200m (\$47m). Sara Lee already held 23.9 per cent of the company.

The Government had withheld its accord on the January agreement until it received guarantees that Dim would maintain its manufacturing activities in France.

Mr Marcel Rich, Bic's chairman said in May that part of the French textile industry was putting pressure on the French government to keep Dim French.

Under the deal agreed earlier this year, Sara Lee agreed to pay FF641 per share for Dim. Full conversion of a FF200m bond issue made by Dim last April and subscribed for by Sara Lee would bring the US group's stake to 61 per cent. Bic retains 37 per cent control over the stocking-maker.

Bic shares were quoted yesterday FF14 up at 844. FF200m shares are only quoted on the Paris over-the-counter market. They were last quoted on September 30 at FF750 each.

# Credit Lyonnaise in capital notes issue

By George Graham in Paris

CREDIT LYONNAISE, the third largest French bank, is to issue \$50m of capital notes.

These notes, paying London Interbank Offered Rate (Libor) plus 1.05 percentage points for the first 15 years of their life and nothing thereafter, are subordinated to the last rank of creditors and are non-cumulative in the event of the non-payment of interest. The bank said they therefore formed the category of paper closest to equity.

Along with many other French nationalised companies, Credit Lyonnais has reached the limit of 25 per cent of its capital issued in the form of certificates of investment, or non-voting shares.

Without a change in French law or its privatisation, it cannot raise new equity capital, but the bank has said that it will need to raise FF300-500 in the capital markets if it is to finance its planned rate of growth and comply with new bank prudential ratios.

The issue has been bought in its entirety by Merrill Lynch, which will place it in the international markets. Merrill also handled the recent complex issue of FF1.5bn of perpetual subordinated paper for Rhône-Poulenc, the French state-owned chemicals group.

# UK single property schemes under study

By Paul Chesswright, Property Correspondent

THE PROPOSED new market for single property schemes in the UK is likely to be best suited to the needs of institutional and professional investors during its initial stages, according to a study of property utilisation prepared by the College of Estate Management in England.

For private investors, unit trusts specialising in the schemes could be established, the study suggests.

After several years of discussions and drafting of regulations, the first issues of securities giving investors a stake in a single building are likely to be floated on the London Stock Exchange in late December of this year or possibly early in 1989.

It is widely expected that the first issues will probably be property income certificates, which would entitle the holders to a portion of the rental income from a building and a share in the management company which would be set up to run that particular building.

But the study warns that the new market is unlikely to take off or be successful if the initial performance of new issues is poor.

Drawing lessons from Australia and the US, Mr Bill Maxted, the author of the study says "It is important in the UK that the proposed schemes are not similarly tarnished soon after their

introduction by any unsatisfactory flotations. The initial value of the properties before flotation must be seen to be regarded by the market as reliable."

This injunction relates both to the quality of the properties floated on the market and the ability of the managers of those properties to increase the income stream from them.

"Single property schemes, where the property is let to one tenant on a lease with infrequent rent reviews, does not provide an opportunity for entrepreneurial management," Mr Maxted warns.

These the best properties to encourage trading in the securities will be large and multi-tenanted: shopping schemes and complexes fall into this category.

One of the objects of creating the new market is to introduce greater liquidity into the property market. Mr Maxted is confident that this will be achieved, although he notes that there may be a change in the traditional perception and intention of purchasing property as a long-term investment.

"A listing seems to make property a hybrid investment vehicle in that it exhibits both property and equity investment characteristics," he says.

Utilisation of Property by Bill Maxted, College of Estate Management, Whiteknights, Reading RG6 2AW, 228.

# Air Europe builds up services and its corporate identity

By Michael Donne, Aerospace Correspondent

AIR EUROPE, part of Mr Harry Goodman's International Leisure Group which is now building up a network of European scheduled air routes out of Gatwick Airport, is to introduce a new Business Class service from October 24. This will feature special cabins with improved seating, separate check-in facilities, improved in-flight service and special airport lounges.

Initially, the new class will be offered on flights to Paris and Brussels, extending to Munich and Geneva on Novem-

ber 1, with increased flight frequencies to Palma and Gibraltar. From next spring, it will be introduced on new scheduled routes to Oslo, Stockholm, Rome, Barcelona and Malaga.

Air Europe will also be offering competitive fares on the Paris route - £92 (\$154.50) single compared with £109 on British Airways and Air France.

By early 1990, Air Europe expects to be operating more than 30 scheduled services a day from Gatwick to European Continental points, compared with 17 services at present.

The airline is also expanding its fleet and by next summer plans to have 13 Boeing 737s on its European scheduled services. Also, Air Europe will change its handling agent at Gatwick to ServisAir enabling it to introduce its own identity with dedicated check-in areas and departure gates.

Mr Goodman said that "we will have a very high standard of scheduled services at prices significantly below our competitors. We are now delivering that promise."

These Securities having been sold, this announcement appears as a matter of record only.

New Issue

**BNP**

**Banque Nationale de Paris**

**Can. \$100,000,000**

**10<sup>3</sup>/<sub>4</sub>% Notes due 1991**

Issue Price: 101<sup>1</sup>/<sub>4</sub>%

ScotiaMcLeod Inc.	BNP Capital Markets Limited
Chase Investment Bank	Credit Suisse First Boston Limited
Generale Bank	Merrill Lynch International & Co.
J.P. Morgan Securities Ltd.	

Banque Bruxelles Lambert S.A.	Banque Internationale à Luxembourg S.A.
Cera-Spaarbank	Crédit Agricole
Prudential-Bache Capital Funding	Algemene Bank Nederland N.V.
ASLK-CGER Bank	Bank of Montreal Capital Markets Limited
Dresdner Bank Aktiengesellschaft	Manufacturers Hanover Limited
Nomura International Limited	Société Générale
Banque Générale du Luxembourg S.A.	Banque de Luxembourg S.A., Luxembourg
Crédit Lyonnais	Daiwa Europe Limited
Hambros Bank Limited	Kredietbank International Group
Rabobank Nederland	Shearson Lehman Hutton International

September 1988

A FINANCIAL TIMES MAGAZINE

# WINNING THE PENSIONS RACE

**Stay Ahead**  
No front runner can afford to miss a single issue. It will keep you one step ahead of your rivals - supplying all the answers before your clients even ask the questions. When it comes to 'best advice' for the pensions professional - there's no real competition.

**All Round Performance**  
Often covering subjects neglected in the more general financial press, each month we bring you an in-depth Research Feature on a topic you need to know about, such as retirement counselling and employee benefits for women. Plus our Monthly Survey on essential areas such as small self-administered schemes, consulting actuaries, group life assurance, computer software, personal pensions and many other key issues. Finally, our regularly updated Performance Statistics cover most individual UK pension funds - with quartile rankings to balance the monthly fluctuations.

**Which ever track event you advise on in the Pensions Game, be it to individuals or company teams, there is one monthly magazine - published by Financial Times Magazines - that you shouldn't be without. Pensions Management.**

**In A Class Of Its Own**  
The facts speak for themselves. Pensions Management has broken all records. The biggest selling and most authoritative magazine in its field. An essential tool for today's Pension Adviser, Fund Manager, Trustee and every other pension professional. Why?

**Covering All Events**  
Each month the country's leading journalists and pensions professionals bring you the latest legislation, news, tax rulings and advice. Keeping you abreast of the volatile pensions market. Helping you to manage your business better and to provide the best possible advice for your clients.

**Make Sure Of Your Copy Today**  
If you're going for gold in the Pensions Game, you should hurry to your newsagent today and get your personal copy of Pensions Management. At just £1.95 per month it has to be the winning investment.

**Pensions Management**  
Can you manage without it?

Solid gold reporting at just £1.95 every month. Available at all good newsagents.

**PLYMOUTH**

Looking to re-locate? Here's a list of all the cities on the south coast with Government Assisted Area Status.

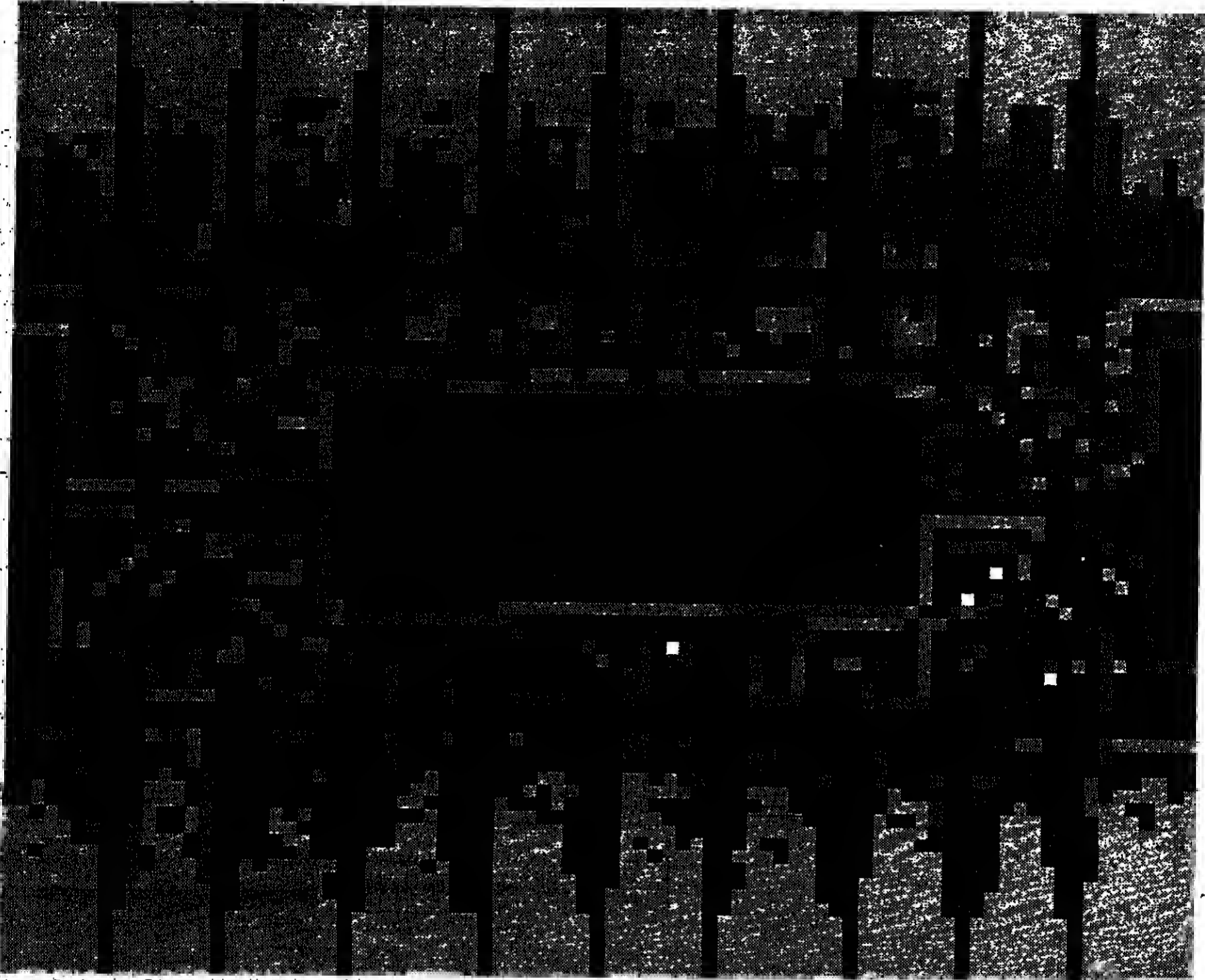
PLYMOUTH, PLYMOUTH, PLYMOUTH, PLYMOUTH, PLYMOUTH, PLYMOUTH and PLYMOUTH.

When you're making a major move, you need all the help you can get. That's where we have the advantage. Not only can we offer you Government Grant Assistance, but also a sophisticated infrastructure that's been built up to serve companies like Wiggins, Becon, Dickinson, British Aerospace, Toshiba, Plessey and Texas Instruments. And there are other benefits. Like rent levels that are currently half those of the Thames Valley. A communications network that can get you to London inside an hour, Birmingham in around three hours, and Santander in less than twenty-four hours. Plymouth is the best place to live in urban England. That's the finding of 2 years' research by Glasgow University. The quality of life here cannot be equalled, and we're surrounded by countryside with everything from bracing moorland to exhilarating waterports. A stable and receptive workforce. A plentiful supply of housing. And the list goes on. Get the complete version from Peter Barrows on 0752 264885.

**PLYMOUTH**  
The City Estates Dept.  
City Centre, Plymouth PL1 1W



# SIEMENS



## A new Measure of Progress: Siemens Megatechnology

Megatechnology is today's driving force in microelectronics. It is the standard against which all future progress will be measured: whether the standard be technical innovation or price competitiveness.

Megatechnology is here! State-of-the-art production techniques allow for submicron devices to be produced with unprecedented reliability. The Megabit DRAM, for example, contains 2.2 million components on a chip only 45 mm<sup>2</sup> with capacity to store the contents of 64 typed pages - about half the text of a small novel. Such progress is a new dimension in high-speed semiconductor memory technology, but has only been achieved after considerable financial and human resource expenditure involving technical development, advanced fabrication methods and quality assurance engineering.

Siemens is the only European manufacturer of 1 Megabit DRAMs, yet development is well advanced for the next generation of the memory - a 4 Megabit device involving even smaller scales of integration. This chip - with sufficient capacity to store an average-sized novel - will be in production by next year.

Progress continues, for high-capacity memories are only a means to an end: they are the "vehicles" for even more complex chip technology that will bring greater innovative trends to: telecommunications and information technology, industrial electronics, automotive electronics, entertainment electronics and many other fields where innovation linked to quality are key factors.

You can obtain more information concerning the state of Megatechnology from Siemens at Electronica '88 in Munich from 8th - 12th November in Hall 23 on Stand A4, or just call our U.K. Sales Office at Sunbury-on-Thames on 0932 785691. There is a Megasolution to all your microelectronics problems!

delivered...  
in Belgium, if the following...  
10. 1020, 1030  
19. 1050, 1060  
10. 1110, 1120  
10. 1170, 1180  
10. 1410, 1420  
11. 1800, 1900  
10. 1950, 1960  
10.  
18. 2018, 2020  
50. 2070, 2080  
50. 2153, 2180  
32. 2241, 2600  
1. 9820, 9830  
4200, 4400  
2. 3044, 3072  
10. 8550, 8640  
1) 5132816  
TIMES  
E  
CE  
15  
Coast with



UK COMPANY NEWS

Diversifying property developers report successful first-half results  
**No surprises as LET rises 43%**

By Paul Cheeseright, Property Correspondent  
**LONDON & EDINBURGH** Trust, property development and investment group which has been diversifying into financial services, yesterday announced interim profits sharply higher yet broadly in line with market expectations.  
 Although this immediately added 2p to the share price, the rise in a flat market was not sustained. The price slipped back to its overnight level of 155p.  
 Pre-tax profits for the six months to June were £22.2m, 43 per cent higher than the £15.57m earned in the same period last year. Earnings per share rose to 7.15p from 5.5p.  
 Brokers are predicting full-year pre-tax profits of about £48m, compared with £34.6m in 1987 and a net asset value per share of about 170p against 97p at the end of 1987.  
 Shareholders will receive an interim dividend of 1.5p, double that at the halfway stage in 1987. Mr John Beckwith, chairman, said: "The board intends to recommend maintaining a similar rate of increase in dividend for the full year and thereafter to adjust the dividend in line with growth in earnings per share." Last year's final was 1.25p.  
 LET's pre-tax profits were boosted by a threefold rise in net rental income to £7.4m. This partially reflects the acquisition of the industrial and commercial assets of Washington New Town. But the group has also been holding more of its office and retail developments.  
 The larger part of the develop-

ments profits in the first half came from Paris projects, but the group's domestic programme will contribute strongly in the second half with profits from projects in central London, London's Docklands, Leicester and Southampton.  
 There should also be a profit of around £6m from LET's interests in financial services, where the main vehicles are Rutland Trust and BKR Financial. Mr Beckwith said that by 1990 it was hoped that financial services would account for a quarter of group profits.  
 LET has recently been engaged in a programme to protect itself from interest rate increases. Through Goldman Sachs, the investment banks, it has converted about 60 per cent of its £142m medium-term

debt to fixed interest. Current gearing is 40 per cent.  
 Over the longer term, it seems likely that overseas property interests will play an increasing role in LET profits. The group has obtained planning permission for a 400,000 sq ft shopping centre outside Madrid. Ventures in Germany will make a profit contribution in 1988.  
 LET's share price has moved sluggishly since the equity market crash a year ago, against the background of a market preoccupation with asset rather than earnings accumulation. This has behind Mr Beckwith's formal statement that: "It is the objective of the directors to achieve a balance between growth in earnings per share and growth in net asset value per share."  
 See Lex

**Business parks lift Arlington to £3.04m**

**ARLINGTON SECURITIES**, the property group specialising in business parks but with a growing retail development programme, doubled its profits in the first half of 1988, writes Paul Cheeseright.  
 Pre-tax profits for the six months to the end of June were £3.04m compared with £1.5m in the same period of 1987. But this is not a reflection of the company's prospects for the whole year. Arlington draws in most of its profits in the second half. Whole year pre-tax profits for 1987 were £14.65m.  
 The board "has reason to anticipate another satisfactory

result for the full year," Lord Keith of Castleacre, chairman, told shareholders.  
 First-half earnings per share were 2.5p (1.73p), and the directors have declared an interim dividend of 1.5p compared with 1.2p at this time last year and full-year payments for 1987 of 4p a share.  
 On the market, where trading was less than exciting, the shares rose 2p to 151p.  
 The group, which recently went into the market with a cumulative preference issue to raise funds for further expansion, has six business parks under development, of which five - Newbury, Frimley,

Solems I and II at Fareham, Aztec West near Bristol and Birmingham - are revenues producing.  
 The sixth park, at Reading, has just started construction. In addition and subject to planning consents, there should be earnings from projects at Gatwick, Gloucester and Portway, south of Birmingham, over the medium term.  
 But profits from retail property should this year begin to make a telling contribution.  
 See Lex

**Broker penalised by Panel on Ruberoid**

By Andrew Hill  
**THE Takeover Panel** yesterday forced Smith New Court, the stockbroker, to make amendments to the Takeover Code at a sensitive stage of the bid for Ruberoid, the roofing materials group, by house-builder Baine Industries.  
 Smith New Court acted as market-maker for Ruberoid and is therefore exempt under the terms of the code from carrying out dealing which would assist the company.  
 According to Baine's adviser, Barclays de Zoete Wedd, Smith New Court sold 1m Ruberoid shares - about 2 per cent of Ruberoid's equity - to Tarmac, the building materials and construction group, on September 24. The shares were part of a tranche picked up by Tarmac as a prelude to announcing an agreed £141.3m cash bid for Ruberoid two days later.  
 Yesterday Smith New Court had to buy 1m Ruberoid shares in the market at about 260p, and sell them on to Baine's associate company, Woodcrest, at 254p, matching the terms of Baine's cash alternative.  
 The Panel would not comment yesterday on the sequence of events which led to the breach, and said it was continuing to discuss the matter with Smith New Court.  
 As a result of the Panel ruling, Baine has now received acceptance of its 200p-a-share bid representing about 61.3 per cent of Ruberoid's listed capital. The stockbroker could have lost an estimated £28,000 as a result of the enforced deal.  
 Because the cash alternative has already closed, Smith New Court may also have to accept 2m Baine shares if the house-builder's cash-and-shares offer is declared unconditional, at a price of 97p, against yesterday's closing price of 89p.  
 Baine is hoping that Tarmac's cash bid - at 260p a share - will be referred to the Monopolies and Mergers Commission.  
 Tarmac's position is unchanged. The group still owns or has received acceptance of its bid representing 21.1 per cent of the target's share capital.

**Weaker dollar holds Attwoods back to £14.7m for full year**

By Andrew Hill  
**ATTWOODS**, which collects and disposes of 14,000 tonnes of waste every working day, increased pre-tax profits by 24 per cent to £14.7m in the year to July 31, compared with £11.8m in 1986-87.  
 The weaker US dollar reduced profits at this acquisition waste management and quarries group by £1.7m, but Mr Ken Foreman, chairman, said pre-tax profits expressed in local currency had risen by 43 per cent in the US.  
 About 71 per cent of group turnover - which rose from £23.2m to £28.6m - and 77 per cent of pre-tax profits come from the US.  
 Existing businesses increased profits by 17 per cent and turnover by 19 per cent, and earnings per share rose from 18.9p to 20.5p.  
 About 71 per cent of convertible preference shares reduced gearing from 133 per cent at the end of the 1986-87 financial year to 28 per cent at July 31. The stake held by ADT Group is unchanged at 24.07 per cent.  
 Mr Foreman said MedX, Attwoods' medical waste col-

lection and incineration subsidiary, had benefited from increased media coverage of the problems of toxic and medical waste disposal in the US, and had doubled revenues and profits during the year.  
 The group, which is also quoted on NASDAQ in the US, is now considering further acquisitions there, increasing its geographical coverage by adding to established operations on the east coast. The company claims to be the fourth largest in the US, with more than 10,000 smaller businesses competing for two thirds of a market estimated at \$30m (£11.6m). Attwoods received \$12m of revenue last year, against \$11m in the previous year.  
 Attwoods, which has Mr Denis Thatcham as deputy chairman, is also likely to compete for waste collection contracts being put out to tender by local councils in the UK. Local authorities account for about 80 per cent of the country's collection business.  
 The company is recommending a final dividend of 9p, making 7p (5p) for the year.

**COMMENT**  
 Followers of Attwoods must be wondering whether there is a hidden low in the company's recent growth. Mr Foreman is confident that there is not. "We'll collect and dispose of anything," he says simply. Price seems to be the only important distinction between rival waste managers, so perhaps Attwoods is lucky to have escaped a bloody price war so far. On the other hand, the group's growing presence in the US means that it can cut costs if necessary, for example by more efficient operation of its 700 US garbage trucks. In so far as there is any value to be added to the business, Attwoods is prepared to add it, moving into medical waste disposal, and preparing to unseat its mobile toxic waste incinerator on the European market. Analysts are looking for pre-tax profits of £24m or £25m this year, putting the shares, which closed up 2p at 294p, on a prospective multiple of about 12, a premium to the market, but a discount to other UK quoted competitors.

**March to pay £1.25m for fellow racing car maker**

By John Giffney  
**MARCHE**, the racing cars and engineering group which has seen profits fall sharply since joining the Unlisted Securities Market last year, is buying another racing car maker for £1.25m.  
 Ralt Holdings and its subsidiary Ralt Cars are being acquired to broaden the base of March's racing car manufacturing activities. One objective is to turn March into the world's largest maker of international formulae racing cars, according to Mr John Cowan, chairman of engineering group United Industries who also took over March's chairmanship from founder Mr Robin Herd in August.  
 The acquisition, to be made from March's "existing resources," comes at a time of major upheaval on March's Board. The expected resignation of Mr Malcolm Shaw, finance director, later this

week would leave Mr Herd as the only board member from the time of the USM debut.  
 Mr Herd, who has a 20 per cent stake, hopes to concentrate on March's return to Grand Prix racing.  
 Two months ago March reported first-half pre-tax profits of £113,000 on turnover of £7.49m, compared with £289,000 on turnover of £7.85m. Mr Cowan, who warned that there would be no improvement in the second half, blamed sharply reduced revenues from the lucrative Indian market.  
 Ralt is headed by Mr Ron Turranac, former Abraham chief, who will remain on a three-year rolling contract. It produces some 80 racing car chassis per year.  
 March's inlayer fortunes could revive next year, as the result of an expected collaboration with Porsche.

**Further clash between Meyer and Travis**

**MEYER INTERNATIONAL**, timber and builders' merchant, clashed again yesterday with Travis & Arnold, the builders' merchant, for which it has launched a £21m bid.  
 Meyer, which owns 28.95 per cent of Travis, and has acceptances in respect of 0.49 per cent, described Travis's position as "untenable." Travis favours a merger with builders' merchant Sandell Perkins.  
 Sandell is offering eight Sandell shares for every five Travis, plus a special dividend of 18p per share. The first closing date is today. On the basis of Sandell's closing price of 263p, that values each Travis share at 455p, compared with the market price of 578p and the Meyer cash offer (with a convertible preference share option) of 600p.  
 Sandell has acceptances from 43.2 per cent of Travis holders. The first closing date for the Meyer bid is October 15.

**Select Appointments final tranche**

Select Appointments (Holdings) is paying £6.24m cash and issuing a further 1.07m new ordinary shares as the final tranche of the consideration for Morgan & Banks Group.

M&B achieved pre-tax profits of £48.68m (£4.06m) for the year to June 30 and therefore the maximum consideration of £18.48m is payable. M&B specialises in executive recruitment in Australasia.

**BOARD MEETINGS**

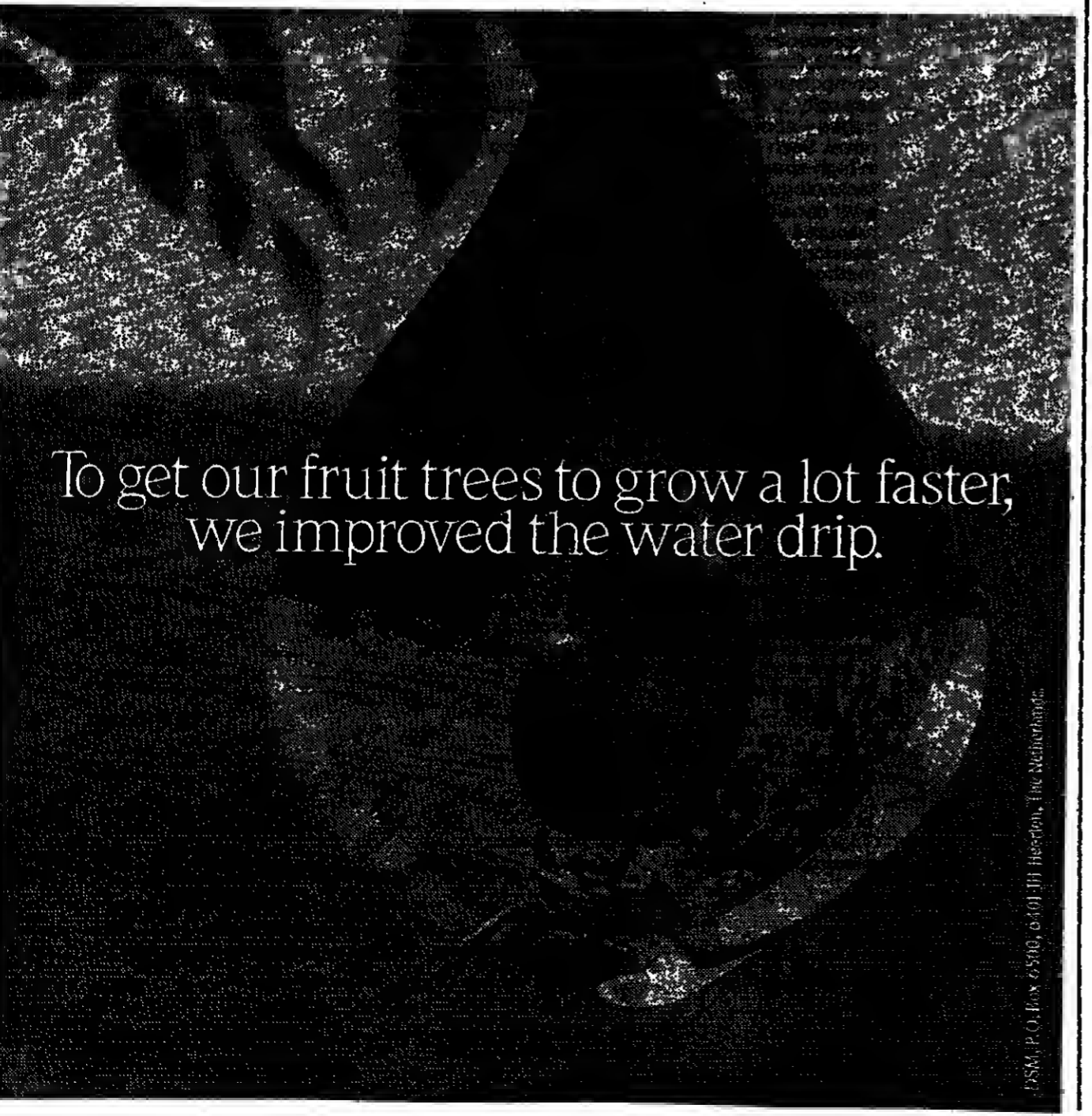
Company	Date
Adrian Brothers	Oct. 9
BVI Island Airways	Oct. 17
DA	Oct. 14
Deacons Adams	Nov. 8
John Fisher	Oct. 14
London & Amersley Trust	Oct. 12
Manpower UK & Gen	Oct. 12
Parsons Technology	Oct. 14
Shanti Tea	Oct. 12
Ch Holdings	Oct. 12
Consolidated	Oct. 12
Financial Services Int'l	Oct. 12
Financial Services Int'l	Oct. 12
Top Horse	Oct. 12

**DIVIDENDS ANNOUNCED**

Company	Current payment	Date of payment	Corresponding dividend	Total for year	Total last year
Arlington Secs	1.8	-	1.2	-	4
Attwoods	5p	Jan 31	4.5	7	8
Barrows	0.75	Dec 30	2.8	-	0.75
Chittington Cor	1.3	Nov 17	1.15	-	3.65
Dauphin	0.7	Nov 26	0.55	-	1.8
Densitron Int'l	0.8	-	0.4	0.6	0.4
Goodwin	3.75	-	2.75	6.75	4.5
High-Point	0.45	Nov 30	-	-	0.27
ISA Int'l	0.75	-	-	-	1.1
Lance	1.5	-	0.75	-	2
London/Edin Tr	2.5	Jan 6	1.687	3.667	2.567
Medminster	-	-	-	-	-

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. 10m capital increased by rights and/or acquisition issues. \$USM stock. \$Unquoted stock. \$Third market.

It used to take four to six years for a fruit tree to produce fruit. And people always had this dream of faster and better harvests. Now DSM, one of Europe's largest chemical companies, has helped realize this dream.  
 In co-operation with the Research Station for Fruit Growers in Holland, the researchers at DSM have developed a completely new fertilising technique for north-west Europe. They call it 'fertigation'.  
 It uses the environmentally benign drip irrigation system. The drip, however, is enriched with a special fertiliser which is fully soluble in water.  
 Thus the roots receive drop by drop, moisture and nutrients. In exactly the right amounts. The results are remarkable: since we improved the drip, we've been able to harvest at least a year earlier. And both the yield and the quality have improved tremendously.  
 Fertigation is one of our technologies which is certainly bearing fruit.  
**DSM**  
 If we don't have a solution, we find one.



To get our fruit trees to grow a lot faster, we improved the water drip.

L O N D O N . T O K Y O

**CCF**

The track record for designing and building systems to meet growing deadlines and high expectations.

Changing with the market to meet its vital systems requirements, CCF is to underpin its new sense of purpose and add impetus to its global growth with a new name and identity - Quotient.

With offices in London, New York, Tokyo, Paris, Hong Kong and Sydney, Quotient is well positioned to meet the demands of the financial market, international products and services, and experienced marketing and support groups, in each of the major centres ensure that local and international needs are met.

Innovative software solutions, designed to be adaptable, modular and inter-operable are tailored to meet the specific needs of every client.

Whether for international banking, risk management, securities trading, fund management or information delivery, Quotient offers portfolio of application systems and related services to sharpen clients competitive edge.

Market leading software packages - FISCAL, SUPER XTRA, GMARK - are working testimony to the expertise and professionalism of an organisation which maintains the initiative in the competitive world of international finance.

To find out more about Quotient, telephone London 01 251 6666.

**Q**

**QUOTIENT**

FINANCIAL SYSTEMS CONSULTANTS

Quotient plc  
 Floor 5-7 Crossway Street  
 London EC1V 9LN  
 Tel: 01 251 6666

P A R I S . H O N G K O N G . S Y D N E Y



UK COMPANY NEWS

# Pilgrim purchase opens up the road of progress

## Nikki Iait on fast-expanding Williams Holdings latest acquisition

A "deal" remarked Brian McGowan, chief executive of Williams Holdings, cheerfully about the company's recent Berger paints purchase, "it was almost as good as SCM".

SCM, of course, was the \$50m acquisition which Hanson made in 1986, and which quickly proved to be one of the giant conglomerate's most successful transactions. The aside was of little use to Williams, who doubts like to be seen in the same class of dealmaker as the near-legendary transaction specialist. But how close is it coming?

Clearly, with a \$900m market capitalisation the company has progressed a long way from the tiny Welsh metals group into which Nigel Rudd, now chairman of Williams, and McGowan moved in 1982. And certainly, in most recent times, it has demonstrated plainly that the October crash and changed stock market conditions need not spell an end to acquisition activity.

Yesterday's \$331m deal with Pilgrim House is the fourth largest purchase made since then - the others being Bagger, which cost \$138m and involved a straight equity issue, and then two smaller cash bids, Newage Transmissions for \$18m and Smallbone for \$24m.

What Williams is actually buying this time round is a mixture of electrical and elec-

tronics interests, based between the UK, Europe and the US. The Pilgrim House businesses take in fire detection and suppression interests, various electro-mechanical control products which are used in the marine, car and defence industries, and micro-switch manufacturing operations.

Pilgrim House, however, has been an unsettled creature of late. Last December RHP - the former Ransome Hoffman Pollock - disposed of its original ball-bearing business for \$73.5m, leaving itself with a handy cash pile and growing electrical engineering and fire detection interests. A month later, it unveiled an agreed merger with Burgess, a slightly smaller electrical engineering business - thereby creating a company with annual sales of about \$220m and a market capitalisation of some \$250m.

The deal was not smooth. Some weak trading results and problems in a West German subsidiary were unmentioned at Burgess - suggesting a \$2m price shortfall on the \$11m expected in the year to July. The bid terms were revised from almost 10 per cent, and RHP took a dominant share of seats on the new board.

Since then, the name has changed and PEG has announced another major acquisition - the \$254m purchase of US-based Kidde Fire Protection businesses from



Brian McGowan: It's the amateurs I dread

Hanson. Financing utilised the company's cash balance (currently put at \$65m-£70m), some additional borrowing, and a \$42.5m vendor placing. The Kidde businesses made pre-tax profits of \$36.1m on sales of \$363m in the year to January 2.

Again, the purchase has hit a hitch - this time in the form of the US Federal Trade Commission which is inquiring into the competitive effects of the transaction and is currently requesting more information. Accordingly, the vendor placing, which only saw 48 per cent clawback, has lapsed.

Yesterday, Williams made clear that assuming its own purchase of PEG goes ahead - it is basically committed to the Kidde deal, but would expect to finance the entire transaction in cash instead. Hanson, as tight-lipped as usual, ventured that while it could not pre-empt future announcements, the Williams purchase of PEG "does not change things" and that it hopes the deal can be completed at some stage.

That said, in the words of McGowan, "all bets are off" from October 15 - with either Hanson or Pilgrim free to renegotiate walk away or simply extend the completion date.

Yesterday, the Williams statement said only that it was "expected" that the date will be extended to take account of the Hart-Scott-Rodino (anti-trust legislation) waiting

period. Even so, the whole situation offers the intriguing possibility that the RHP-McGowan team will indirectly confront Lord Hanson across a negotiating table. ("It would work quite well," says Mr McGowan, "It's the amateurs I dread.")

But, while the Kidde businesses are obviously a key factor in the PEG deal, Williams makes clear that the rationale for the basic deal is in no way dependent on the outcome here. Its argument is that PEG will help redress the balance between engineering interests and the recently-expanded consumer and building products side.

With Kidde included, its rather grandly-named industrial and military products division would more than dou-

ble in size and account for almost 40 per cent of pre-tax profits, compared with 17 per cent previously.

Geographically, too, Williams argues that the transaction - again with the Kidde interests - will raise overseas exposure in line with declared policy. The UK proportion of pre-tax profits could fall from 77 per cent to 63 per cent, while North American earnings might rise to 23 per cent of the total. The declared target is about 30 per cent.

In balance sheet terms, much obviously depends on Kidde. In the "worst" case - \$150m cash for Kidde and no disposals - Mr McGowan puts pro forma gearing after writing off goodwill at just under 50 per cent. If some \$50m of disposals from within PEG (which has been looking at possibilities) and Williams can be found, Mr McGowan suggests about 30 per cent; if another \$50m came from within Kidde (again mooted by PEG when it announced the deal) the ratio would be back to 12 per cent.

The contrast with the recent spate of transactions, which have concentrated on the consumer products side and often involved under-managed businesses, is freely admitted by Williams.

But the deal appeared no less welcome by analysts for that. However good the Berger deal was short-term, hefty paint interests did little to

# Mmm

Compulsive Phewing...

Every week day put yourself at the heart of the investment picture with Market-Eye's minute-by-minute price updates for over 2,500 UK equities, gilts and London-traded international stocks.

Developed by the International Stock Exchange, Market-Eye - "The Investor's Channel" - is established as the UK's leading broadcast price information service. Transmitting nationwide to your desk top, in real-time, and using the very latest BBC Datacast technology.

That means high-quality, timely information available via a simple screen and keypad unit or, optionally, via an add-on board, for a suitable personal computer. With many special features such as custom pages and limit-minder alarms and no paper, telephone lines or heavy communications bills...

From around £3 per day put yourself in the picture by calling Katie King now on 0276 691704 and see us at Money '88 (Olympia, November 3-6) or Computers in the City (Barbican, November 15-17).

Or write for further information to Katie at Market-Eye, Unit 23/24, Albany Park, Finsley Road, Camberley, Surrey GU15 2PL.

THE INTERNATIONAL STOCK EXCHANGE

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

## Market-Eye

THE INVESTOR'S CHANNEL

Remember investments can go down as well as up.  
\*BBC and Datacast are trade marks of the British Broadcasting Corporation.  
\*Market-Eye is a trade mark of the International Stock Exchange.

## Falcon faces litigation threat

By Philip Coggan

MR RONNIE MONK, the re-elected chairman of Falcon Resources, oil company, faces an immediate challenge from Venturlarge, the investment group which Mr Monk defeated at an extraordinary general meeting last week.

Mr Jonathan Rosen who, together with former City high-flier Mr Oliver Jessel, runs Venturlarge, said yesterday that his group, which is Falcon's single largest creditor, intended to issue a petition to take insolvency proceedings against the oil company.

However, Mr Monk said that any proceedings would be followed by a counter-suit against Mr Rosen and Mr Jessel in the

US courts, with a view to holding up the insolvency case. The dispute seems likely to mean further delay for Falcon shareholders who have been unable to sell their shares since dealings were suspended back in October 1985.

After making a \$480,000 loan to Falcon, Venturlarge took management control of the group in January this year and planned to split the company in two: the US oil and gas interests, which would have been sold, and a UK "shell", which could be used as a vehicle for other business interests.

Mr Jessel's involvement caused considerable specula-

tion that he might be making a comeback - his Jessel Securities empire collapsed in the wake of the 1974 crash - but Mr Jessel has consistently denied any such intentions.

Mr Monk, who opposed the Venturlarge plans, announced yesterday that an average of 71 per cent of shareholders had supported his proposals at last week's egm, compared with 29 per cent support for Venturlarge.

Falcon said yesterday that it would proceed with plans for a recapitalisation of the group and with proposals for the relisting of its shares. Details of the package would be transmitted "as early as possible".

## LMS against Carless bid plan

By Nikki Iait

LONDON MERCHANT Securities, the largest shareholder in Carless, yesterday said that it intends to vote against the oil company's proposed \$90m takeover of Ryan International, opencast coal-mining and recovery group, at Friday's meeting of shareholders.

When the deal was first announced in early-September, LMS was said to be backing it in respect of its 27 per cent holding. However, a few weeks later, the investment company declared that chances of its support were "remote". It said yesterday that the latest statement was designed to clarify the situation.

Last night, Mr Robert Rayne, LMS director and a nominated director on the Carless board, maintained that at the outset LMS had not been fully aware of all details and projections involved in the offer. He said that LMS's objections were overruling that the quality of its earnings would be dimmed and that the company would have a better rating without Ryan.

He added that there had been no pressure from other shareholders to take this stance, although some supportive institutions had been in touch in the past couple of days. He also denied sugges-

tions, mooted at the time when LMS first indicated a shift of stance, that the company was making a last-ditch attempt to attract a bidder for its stake.

Mr Ian Clubb, Carless chief executive, pointed out that an LMS representative had been present at the board meeting which approved the Ryan deal and that he had been given details of the planned purchase in advance. Mr Clubb said he "fundamentally disagreed" with criticisms of the price and believed it was appropriate.

LMS aside, about 50 per cent of Carless is held by institutions and the remainder by private shareholders.

TO LONDON LIFE MEMBERS AND POLICYHOLDERS.

# Your vote - your future

Your Board is convinced that the merger with AMP is in your best interests and urges you to vote to support the merger. We believe that the merger will provide:

- GREATER FINANCIAL SECURITY
- BETTER BONUS PROSPECTS

In tomorrow's increasingly competitive world, it will be more important than ever before for policyholders to be served by financially strong and vigorous life offices. The merger between London Life and AMP will combine the complementary strengths of both offices and ensure that the London Life business is well placed to face the challenges of the future.

Proposals for the merger are fully described in the document dated 27th September, 1988. If you have any queries, please contact the Merger Helpdesk on 0800 717111 (Free). Members, your vote is important; you may use the proxy card sent to you or the coupon below to cast it.

LONDON LIFE  
Established 1826  
London Life is a member of LAU/RO

THE LONDON LIFE ASSOCIATION LIMITED  
FORM OF PROXY  
Extraordinary General Meeting

I, the undersigned, being a member of The London Life Association Limited ("London Life"), hereby appoint the Chairman of the meeting See Note (1).

any proxy to vote for me and on my behalf at the extraordinary general meeting of London Life to be held at Cinema 1, Elbicon Centre, Barbican, London EC2Y 8DS at 12.00 noon on 19th October 1988, and at any adjournment thereof. I request that my vote(s) be cast on the special resolution as indicated in the box below.

SPECIAL RESOLUTION  
(Text of the resolution can be found in the circular to members and policyholders dated 27th September 1988)

For  Against

Name \_\_\_\_\_ Dated \_\_\_\_\_ 1988

(If capital placed) \_\_\_\_\_  
Address \_\_\_\_\_  
Signature \_\_\_\_\_

To facilitate the administration of the meeting it would be helpful if you would state your Preference Club membership number (or current policy number).

Preference Club Number \_\_\_\_\_  
or  
Current Policy Number \_\_\_\_\_

Registered Office: (100 Temple Street, Bristol BS1 6EA) not less than 48 hours before the time appointed for the meeting or adjourned meeting.  
(2) A proxy need not be a member of London Life. In order to represent you he or she must attend the meeting in person.  
(3) Unless otherwise directed, the proxy will abstain or vote as he or she thinks fit.  
(4) If you have any questions about this form of proxy please telephone 0800 717111 (free) and ask for the Merger Helpdesk.

This announcement appears as a matter of record only.

## Control Securities plc

£50,000,000

### Revolving Unsecured Loan Facility

Arranged by

The Sumitomo Trust & Banking Co., Ltd.

Lead Manager

The Sumitomo Trust & Banking Co., Ltd.

Managers

Barclays Bank PLC  
Postipankki (U.K.) Limited

The Chuo Trust and Banking Company, Limited  
Standard Chartered Bank

Participants

Banco Bilbao Vizcaya S.A.  
Bank of Scotland

Bank of New Zealand  
Hill Samuel & Co. Limited

Agent

The Sumitomo Trust & Banking Co., Ltd.

September 1988

woods year  
rather clash between Meyer and Travis



UK COMPANY NEWS

**KIO sells 4.5m ESI shares to Caledonia**

By Vanessa Houlder

THE Kuwait Investment Office has sold half its 10.6 per cent stake in English & Scottish Investors, an investment trust, to Caledonia Investments, the investment group controlled by the Cayzer family.

The acquisition of 4.5m shares has brought Caledonia's stake in ESI up from 25.4 per cent to 29.9 per cent — the maximum it can buy without triggering a bid. Mr Paul Myners, chairman of Gartmore Investment Management which manages ESI, said that

Caledonia's stake was a friendly holding. Caledonia was until last year the dominant minority shareholder in British & Commonwealth Holdings which owns Gartmore Investment Management.

The KIO's sale was thought to be part of a general reduction in its exposure to investment trusts. A legal adviser to the KIO said he thought it was most unlikely to be connected to the storm over the forced sale of half of the KIO's BP stake.

**Davy in \$13m joint venture disposal**

By Vanessa Houlder

DAVY CORPORATION, engineering and construction group, yesterday announced the sale of its 49.2 per cent stake in Seneco, a UK manufacturer of retailers' security tags.

Davy has sold its stake for \$13.3m (£7.83m) cash to Seneco's other shareholder, Florida-based Sensormatic Electronics Corporation. Sensormatic, which set up Seneco with Davy in 1978, claims to be the world market leader in electronic surveillance equipment.

**Sale of Telfos stake hits first half at Chillington**

DISPOSAL OF the company's investment in Telfos Holdings contributed to the reduction in pre-tax profits at the Chillington Corporation, plantation and engineering group, in the first six months of 1988.

The taxable figure fell to £1.87m (£2.04m). Prior to the disposal, Telfos had contributed £900,000 at the pre-tax level. Profits of £705,000 from the sale of the balance of the Telfos holding will be included in the second half.

Chillington's turnover, however, was ahead 45 per cent to

£33.57m. This advance was largely due to the inclusion of Overseas Farmers Group, acquired in October 1987.

Earnings per share increased to 3.3p (6.8p) basic and 4.5p (8.6p) fully diluted. The directors have raised the interim dividend to 3p (2.6p) and, in the absence of unforeseen circumstances, intend to recommend a final of at least 4.7p (4.4p).

Mr Martin Nightingale, chairman, said the group had made promising start to the second half and prospects remained good.

**IMI acquires Belgian distributor for £5.2m**

By Clare Pearson

IMI industrial group, has paid £5.2m in cash for a Belgian distributor of fluid power products produced by its subsidiary, Norgren Martonair.

Dr Trevor Lamb, director in charge of fluid control activities, said the purchase of privately-owned Martonair Belgium completed Norgren Martonair's manufacturing and distribution coverage in Western Europe for the time being.

Dr Lamb said he expected Martonair Belgium, with annual turnover of £5.5m, to

make pre-tax profits of about £1.5m after acquisition. Last year it made about £1.25m, he said.

IMI announced last week that its Yorkshire Fittings offshoot had acquired two copper fittings companies in West Germany and France, for a combined £5.5m.

Fluid control, one of IMI's fastest growing areas, lifted trading profits from £14.2m to £16.7m in the six months to end-June. Group pre-tax profits came out at £48.5m.

**AGB bid unconditional**

By Clare Pearson

PERGAMON Professional and Financial Services, chaired by Mr Robert Maxwell, has declared unconditional its £134m recommended takeover bid for AGB Research, market research group.

per cent (17.94m) of the convertible preference shares. It and associated companies owned an additional 28.67 per cent of the ordinary, and 0.67 per cent of the preference shares. The offer is extended until further notice.

The agreed bid upstaged a rival offer from MAL financial and advertising group, when it was announced at the end of August.

Pergamon PF&S said that by last Friday afternoon it had received acceptances in respect of 59.98 per cent (26.27m) of AGB ordinary shares and 70.51

**Midsummer Leisure £2.2m expansion**

By Clare Pearson

MIDSUMMER Leisure, the expanding pub, snooker and discotheque company, is adding to its East Midlands-based contract services division with the £2.15m purchase of Nottingham sign maker L.V. Pannell and its subsidiary Greenway.

The bulk of the consideration is being satisfied by a tender placing of 1.2m new ordinary shares. But there will also be a payment of £100,000 in cash, and an issue of £18,000 worth of new shares.

The vendors have warranted pre-tax profits of at least £275,000 for the 12 months to the end of last month. The pre-

vious year's £2,215 pre-tax profit, on £2.54m turnover, were depressed by capital investment.

Mr Alan Page, Midsummer's chairman, said 60-year-old L.V. Pannell was well-respected in the East Midlands area, with an impressive client list. The head of Midsummer's contract services division was formerly Pannell's general manager.

Midsummer has been spending heavily on acquisitions this year, notable deals being the £6.6m purchase of Bruce's Brewery in March, and the £7.5m acquisition in August of Maygay, an amusement machines concern.

**KCA hit by difficult trading and weak dollar**

DIFFICULT trading conditions, aggravated by a weak dollar in the early part of the year, resulted in profits of the KCA Drilling Group falling by £264,000 to £1.1m pre-tax for the first half of 1988.

However, interest was reduced to £283,000 (£26,000) due to a continued strong cash flow and tax remained low at £129,000 (£247,000) due to the availability of allowances in the UK.

Turnover was lower at £11.62m against £13.52m for operating profit down at £2.24m (£2.35m). Earnings per share came out at 5.1p (5.15p).

Following a capital reorganisation in March the group, a 75.53 per cent-owned subsidiary of Rothmans, is in a position to pay dividends but the directors pointed out that trading conditions expected to remain difficult, any decision regarding the level of dividend should be deferred until the full results were known.

**Densitron doubled on continued organic growth**

CONTINUED organic growth in all its geographic areas helped Densitron International, electronic components manufacturer and supplier, report taxable profits more than doubled to £268,000 in the six months to June 30.

Turnover expanded by 25 per cent from £2.62m to £3.28m. Higher interest charges of £224,000 (£97,000) included £91,000 incurred in protecting forward rates of exchange. Mr Cliff Hardcastle, chairman, said increasing stability in international financial markets would enable the company to "fine tune" its cover more accurately with a consequent reduction in costs.

Mr Hardcastle said that European sales had been particularly strong with significant growth in France and West Germany. Operations in Asia, although affected by the strong yen, had seen new alliances with Japanese companies, while US activities reported increased sales and orders.

On future prospects, Mr Hardcastle stated: "Growth has come from new product innovation. We are committed to state of the art technology and currently have several new products coming onto the market which should make an impact during 1989."

After tax of £382,000 (£178,000), earnings per share increased to 2.53p (1.27p). The interim dividend is lifted from 0.55p to 0.7p.

tion of electronic components and operating principally in Madrid and Barcelona. Initial consideration is about £1.9m for the businesses with a further payment in 1990 based on profit performance.

DOBSON PAPER INDUSTRIES is acquiring a 32 per cent stake in Databot and has granted an option to acquire the balance of the capital within one year. Consideration of £200,000 is to be satisfied by £100,000 cash and 100,000 shares. Databot makes electronic batch and process controls.

W CANNING has acquired 75 per cent of the share capitals of Santos del Valle and Semitronic, both engaged in the dis-

tribution of electronic components and operating principally in Madrid and Barcelona. Initial consideration is about £1.9m for the businesses with a further payment in 1990 based on profit performance.

DOBSON PAPER INDUSTRIES is acquiring a 32 per cent stake in Databot and has granted an option to acquire the balance of the capital within one year. Consideration of £200,000 is to be satisfied by £100,000 cash and 100,000 shares. Databot makes electronic batch and process controls.

COMPANY NEWS IN BRIEF

**ALLIED IRISH BANKS:** Some 94.1 per cent of the recent rights issue was taken up. 61.4m shares were allotted and 67.8m were applied for.

**CALA** is acquiring the 25 per cent of Merebrook Properties it does not already own. Total consideration is about £750,000, made up of 172,418 new ordinary and about £500,000 in cash.

**W CANNING** has acquired 75 per cent of the share capitals of Santos del Valle and Semitronic, both engaged in the dis-

**Diversification at Lanca pays dividends**

Lanca, the handbag and clothing manufacturer and importer, yesterday unveiled a 41 per cent expansion to £282,000 in pre-tax profits for the first half of 1988.

The increase from £241,000 was posted on turnover 38 per cent higher at £6.97m (£5.05m). After tax of £218,000 (£139,000) basic earnings per share were 2.52p (2.36p). An interim dividend of 0.75p is proposed — the first such payment since the group's shares were floated in 1980.

**Medminster rises**

Medminster increased its profits before tax from £221,454 to £1,111,000 on turnover of £2,422,000 at £16.12m for the year ended June 30 1988. The group is raising its dividend for the year by 1.1p to 5.60p via a final of 2.5p. Earnings were lifted through at 8.70p (7.61p) per 10p share.

**Goodwin ahead**

Goodwin, engineering and metal processing company, ended the year to April 30 with pre-tax profits of £320,000, against £31,683 at the halfway stage.

Turnover rose 31 per cent from £5.41m to £10.98m. Earnings per 10p share were 2.5p against 1.2p losses. The dividend is raised to 0.6p (0.4p).

The directors said that orders were disappointing towards the end of the year.

Goodwin, engineering and metal processing company, ended the year to April 30 with pre-tax profits of £320,000, against £31,683 at the halfway stage.

Turnover rose 31 per cent from £5.41m to £10.98m. Earnings per 10p share were 2.5p against 1.2p losses. The dividend is raised to 0.6p (0.4p).

The directors said that orders were disappointing towards the end of the year.

**SEP to Europe**

SEP Industrial Holdings, USM-quoted trading and distribution group, has moved into Europe through a joint venture in France with three European fastener distributors.

SEP is investing in the region of £0.75m in Euro Vis, which aims to attack the continental industrial fasteners and socket screws market, estimated to be worth about £150m annually. The move follows SEP's acquisition earlier this year of US group American Socket Screw.

**Barlows rises**

Rental income sharply increased from £55,000 to £693,000 and a profit of £255,000 on disposal of trading properties enabled Barlows, property investment group, to lift pre-tax profits from £11,000 to £275,000 in the six months to end-June.

Earnings per 10p share rose to 1.71p (0.25p). A maiden interim dividend of 0.75p is declared.

In July the company bought a portfolio of 13 properties from Norwich Union Life Insurance for £10.5m. All have since been sold at a satisfactory profit.

**Bentley's**

Bentley's Piccadilly, theme restaurant group, has requested the appointment of receivers following problems arising from recent acquisitions and the breakdown of the group's computerised management and financial systems. Receivers are holding talks with potential purchasers of the company.

**Tharsis rises**

Tharsis, a pyrites exporting and land development group, increased pre-tax profits 66 per cent from £225,000 to £378,000 for the first half of 1988. The advance was struck on turnover reduced from £2.62m to £2.28m.

Earnings per share advanced from 7.9p to 10.7p and the interim dividend is maintained at 2p.

**Allied London**

Allied London Properties has acquired a 190,000 sq ft industrial estate on 10½ acres at Denbigh Hill, Milton Keynes, Bucks, for £7.3m. Tenants include Rothmans International and subsidiaries of GEC and Unifrate. The rent roll is forecast to be £620,000.

**GRANVILLE SPONSORED SECURITIES**

High	Low	Company	Price	Change	Gross div (p)	Yield %	P/E
225	285	Am. Brit. Ind. Ordinary	230	0	0.7	3.7	0.8
225	285	Am. Brit. Ind. Cds	230	0	10.0	4.3	-
40	25	Amstrad and Biscuits	36	0	0	0	-
37	37	BBB Dairies group (USM)	37	0	2.1	5.5	5.9
171	155	Barton Group	171	0	3.3	1.9	24.1
115	100	Bendon Group Corp. Prof.	115	0	6.7	8.8	-
148	128	Brig Technology	128	0	1.2	1.1	9.2
114	100	Drumhill Cos. Prof.	111	0	11.0	9.9	-
287	246	ICI Group Ordinary	255	-1	12.3	4.3	13.1
145	124	ICI Group 1 1/2 Cum. Prof.	145	0	14.7	8.9	-
131	129	Carbo Pte GSD	131	0	4.1	4.0	4.3
113	100	Carbo 7.5% Pref GSD	112	0	10.3	9.2	-
324	347	George Blair	324	-2	12.0	3.7	7.2
112	60	ICI Group	112	0	0	0	14.7
118	87	Jackson Group GSD	112	0	3.4	3.0	12.4
359	245	Malthouse NV (AmstSE)	300	0	0	0	-
115	40	Robert Jenkin	112nd	0	7.5	6.5	4.3
490	124	Scrivens	512nd	0	8.9	2.9	37.3
100	100	Tony & Carlisle	100	0	10.7	10.7	-
96	56	Trident Holdings (USM)	80	0	2.7	3.4	8.6
113	100	Industrial Europe Corp Prof.	100	0	8.0	7.4	-
306	203	W.S. Yates	306	+2	14.2	5.3	56.8

Securities designated (SE) and (USM) are dealt in subject to the rules and regulations of The Stock Exchange. Other securities listed above are dealt in subject to the rules of TSA.

These Securities are dealt in strictly on a matched bargain basis. Neither Granville & Co nor Granville Davies Ltd are market makers in these securities.

Granville & Co. Ltd. 8 Lovat Lane, London EC2R 8EP Telephone 01-421 1212 Member of the IFA.

Granville Davies Limited 8 Lovat Lane, London EC2R 8EP Telephone 01-421 1212 Member of the Stock Exchange & TSA.

The Structure of our Merchant Bank

Lloyds Investment Managers provides management of the companies' liquidity and pension scheme arrangements.

Lloyds Bank Stockbrokers distributes shares to institutions and through the Bank's 2,232 branches and centres.

Lloyds Corporate Finance prepares the companies for flotation and helps them grow by acquisition.

Lloyds Development Capital arranges and finances management buy-outs and provides equity capital for growing companies.



40-66 Queen Victoria Street, London EC4P 4EL. Tel: 01-248 2244  
Embassy House, 60 Church Street, Birmingham B3 2DJ  
Tel: (021) 200 1055 (Corporate Finance)  
Tel: (021) 200 1787 (Lloyds Development Capital)

Lloyds Merchant Bank Limited, Lloyds Development Capital Limited and Lloyds Bank Stockbrokers Limited are members of The Securities Association  
Lloyds Investment Managers Limited is a member of IMRO  
Lloyds Merchant Bank Limited is a subsidiary of Lloyds Bank Plc

**THE CHANCELLOR GROUP LTD.**  
(Incorporated in Canada)

is pleased to announce that its subsidiary  
**CHANCELLOR INSURANCE COMPANY LIMITED**  
(Incorporated in the United Kingdom)  
has increased its fully paid up capital to £25,501,000

by the issue of £10,000,000 of preference shares with effect from 6th October, 1988.

This additional capital is to provide support for the company's increasing volume of business.

Handwritten scribble at the bottom of the page.



UK COMPANY NEWS

# Land Securities builds up industrial portfolio

By Paul Chesswright, Property Correspondent

LAND SECURITIES, the largest British property investment group with a portfolio worth more than £4bn, is spending £27m to build up its relatively small industrial portfolio.

Of that figure, £15m is going on two ventures. The first is a 112,000 sq ft development with 12 tenants at Primley, Surrey, from Lynton Property and Reversionary. The second is a joint venture with Commercial Development Projects - an

18.8 acres site at Hinckley, Leicestershire.

Details of other ventures are expected shortly.

Although Land Securities has more than 5m sq ft of industrial property, this accounts for just 1.51 per cent of the value of its total portfolio. Its last annual report, listing industrial properties valued at more than £2.5m, showed that the group had made no major moves in this sector since 1961.

Mr Peter Hunt foreshadowed further investment in industrial property in his chairman's statement.

This year, the returns from industrial property have been outstanding those from offices and retail property. In recent years, Land Securities has devoted the greater part of its efforts to increasing the value of its office and retail portfolio and has made a number of major retail warehouse purchases.

# Colorgen incurs loss but outlook brighter

COLOGEN, US-based computerised colour matching specialist, incurred a deficit of \$333,000 (\$195,000) before tax in the year to June 30.

In the previous year, the USM-quoted group reported taxable profits of \$101,781. Mr John K O'Brien, chairman, attributed the "disappointing" results to a slowdown in the US coatings industry, Colorgen's primary activity during the year, and results below expectations from the Euro-

pean operations.

Net sales expanded slightly to \$2.73m (\$2.67m). Losses per share worked through at 2 cents (earnings of 1 cent).

However, since June Colorgen has undergone a number of changes in organisation and sales and marketing strategies, which have brought immediate improvements. Mr O'Brien said he expected the first half of the current year to be the group's best ever.

# US growth accelerates High-Point to over £2m

HIGH-POINT has continued its growth, lifting turnover 31 per cent and profit 66 per cent in the year ended May 31 1988.

This project promoter and consultant in development and construction suffered higher effective tax because of an increased proportion of profits earned in the US, and associates' loss which did not qualify for full tax relief.

This left earnings 50 per cent higher at 26.27p (17.54p). The dividend is raised from 4.5p to 5.75p, with a final of 3.75p.

Turnover came to £21.64m (£16.5m) and profit to £2.05m (£1.25m). Exchange losses of £230,000 and exceptional losses of £12,000 have been taken into account.

Strong organic growth was experienced, especially in the US.

Acquisitions took group services into earth science consultancy, and pollution monitoring.

**LLOYD THOMPSON GROUP plc**  
WHOLESALE INSURANCE AND REINSURANCE BROKERS

1988 FINANCIAL HIGHLIGHTS

	£'000	%
Brokerage Income	11,758	+28%
Profit before taxation	5,152	+24%
Fully diluted earnings per share	11.1p	+11%
Dividend	5.00p	+15%

Year ended 30th June

The above information is an extract from the 1988 Annual Report

For a copy of the 1988 Annual Report please write to:-  
The Secretary, 14 Lovat Lane, London EC3R 8DT

# Dauphin advances first half

DAUPHIN, office seating and specialist engineering group which came to the market in June, lifted pre-tax profits from £1.47m to £1.9m in the first half of 1988.

Turnover moved up from £2.63m to £3.21m. With earnings at 6.07p (4.73p), the interim dividend is raised to 1.3p (1.15p).

The directors said the results reflected continued growth in markets that remained buoyant. They were evaluating a number of acquisition opportunities while still pursuing continued organic growth.

New seating products were being introduced next month. The recently opened London

Showroom in the Islington's Business Design Centre was expected to provide significant support to planned expansion in that market.

Costs incurred in relocating and expanding manufacturing facilities at Unit Press were written off in the six months. Benefits were being gained from the improvements.

# ISA International up by 87% to £1m midway

ISA International, distributor of branded consumables for information processing equipment, increased pre-tax profits by 87 per cent from £263,000 to £1.05m in the first half of 1988.

Turnover for the company, which came to the market in October 1987, rose 40 per cent from £2.26m to £3.25m. On earnings per 5p share

which advanced to 3.36p (2.18p), the directors declared a maiden interim dividend of 0.45p.

The acquisition in September of Computer Supplies had expanded ISA's end-user base and he added that the company would continue to seek further suitable acquisitions to accelerate growth.

COMPANY NEWS IN BRIEF

**ALLIED LONDON Properties** has acquired Highbury, a Kent housebuilder, for £6.25m cash and the issue of 306,451 ordinary shares.

**ARMITAGE BROTHERS** has bought Algarde Enterprises, manufacturer of acoustic accessories, for £220,000 cash. In 1987, Algarde made £29,402 pre-tax.

**ATLANTIC SECURITIES** reported a loss of £432,263 (£10,253 profit) before tax for the six months to June 30. Gross income £40,106 (£17,402). Interest payable on the loan stock was £84,896 (nil). Professional and legal fees £45,604 (nil). Loss per share 2.1p (earnings 1.1p).

**BAILLIE GIFFORD** Japan Trust: Asset value per 25p ordinary share stood at 588.19p (610.74p) at August 31 1988. Divided, the figure amounted to £1.49 (£1.70p). Net loss for the year to end-August totalled £200,779 (£10,181) after tax of £45,944 (£20,312). Loss per share 2.96p (0.1p).

**BRITISH & COMMONWEALTH Holdings:** As a result of the recent increase in Woodchester Investments share cap-

ital the holdings of B&C and its wholly-owned subsidiary, Comin, which total 66.55m ordinary, now represent 55.88 per cent of that class.

**BYE NYLEX** is making an offer worth about NZ\$295.2m (\$238m) for Feltrax International. The offer, in cash or a combination of cash and shares, is worth NZ\$3.2 per Feltrax ordinary share. Annual sales of Feltrax are estimated at \$1.2bn (\$265m).

**MEZZANINE CAPITAL Corporation:** Net investment income for year to May 31 1988 was \$2.79m (\$8.05m) or \$0.53 (\$0.75) per share or \$28.19 (\$61.08) per unit. Net asset value per share at year end \$11.4 (\$11.2).

**MISS WORLD Group** has received acceptances in respect of 490,298 Red Rose Radio ordinary (94.74 per cent) and 11.12m "A" shares (93.89 per cent). The offers are now unconditional.

**MOSAIC INVESTMENTS:** Annual meeting told that the directors were enthusiastic and confident about the future. The company continued to search for acquisitions.

**NORDIC INVESTMENT Trust:**

At company's annual meeting shareholders did not pass the resolution releasing the directors from their obligation to convene an EGM by December 1 1988 to consider the passing of a resolution to wind up the company voluntarily. Accordingly, the shareholders will be advised of the date of the EGM in due course.

**NORFOLK BRITISH Canadian Investment Company** reported net asset value of 453.3p at August 31, against 568.5p a year earlier. Earnings per share for the six months to the end of August were 4.58p (4.64p) and the interim dividend has been raised to 2.7p (2.5p).

**PRINCE OF A R Mowbray** has been accepted in respect of 85,205 (93.9 per cent) of the ordinary shares and 19,535 (97.4 per cent) of employee ordinary shares. The offer has become unconditional. Acceptances have also been received for 78.3 per cent of the B preference shares.

**TURNBULL SCOTT Holdings** has added to its security division through a minority stake

in Glasgow-based Security Vision Nameplates, manufacturer of a patented door viewer.

**TYNDALL HOLDINGS** has acquired the remaining 15 per cent of Newport International Management for a total of 111,000 ordinary shares and \$184,596 in cash.

**VITA PACIFIC**, 41 per cent associate company of British Vita, reported sales of A\$46.6m in the year to June 30, against A\$43.08m. Net profit before tax and share of associates was A\$5m (A\$4m). Earnings 16 cents against 13.3 cents. Vita Pacific is quoted on the Australian stock exchange.

**WARD WHITE** has merged the retailing activities of AG Stanley - which comprises FADS, Decor 8 and Homecharm - into one retail division.

**WATERGLADE INTERNATIONAL** has acquired a long leasehold office investment in London ECA for \$5m from the Carreras Pension Fund. Waterglade already owns the adjoining property. The total site area of 12,500 sq ft is to be redeveloped into an 88,000 sq ft office development scheme.

SHARE STAKES

Changes in share stakes announced recently included:

**Allied Colloids** - George Weston Holdings bought 1.2m shares to lift holding to 13.65m (5.387 per cent).

**Camford Engineering** - Marheath Securities reduced holding to 1.68m shares (3.9 per cent).

**Capital and Regional Properties** - Scottish Amicable Investment Managers increased holding to 825,000 shares (6.97 per cent).

**CI Group** - Carousal Investments acquired 4.38m ordinary and holds 14.39m (19.74 per cent).

**Futura Holdings** - Selective Investments sold entire holding of 97,250 ordinary (12.94 per cent). International and Irish (UK) acquired same.

**Hambros Investment Trust** - Sun Life Assurance raised holding to 7.04 per cent.

**Hartons Group** - Norwich Union Insurance Group beneficially owns 3.78m ordinary (5.3 per cent).

**Hornby** - Guidehouse Group sold 52,000 ordinary at 215p each. Mr D. Michaels is a director of Hornby and a director

and substantial shareholder in Guidehouse.

**London American Ventures Trust** - Equitable Life Assurance and associate increased holding to 5.58m shares (6.1 per cent).

**Macmillan Glenlivet** - London Residuary Body holds 653,000 ordinary (8.3 per cent).

**Manders Holdings** - British Steel Pension Fund interested in 7.57m shares (24.6 per cent).

**Microfilm Reprographics** - Govett Strategic Investment Trust holds 2.14m shares (9.25 per cent) and Universities Superannuation Scheme owns 2.1m (9 per cent).

**Pacific Assets Trust** - Esso Pension Trust increased interest to 5.4 per cent.

**MBS** - Eramon Securities interested in 5.54m shares (5.51 per cent).

**Rockware Group** - London Life has reduced its holding to 7.81m or 6.89 per cent.

**Spring Ram** - Interest of Prudential Corporation and managed funds is 5.9m shares (6.56 per cent).

**Wilson Connolly** - Baillie Gifford owns 14.12m shares (8 per cent of equity).

U.S. \$250,000,000

**National Australia Bank**  
(Incorporated with limited liability in the State of Victoria, Australia)

**Undated Subordinated Floating Rate Notes**

Notice is hereby given that for the six months interest period from October 11, 1988 to April 11, 1989 the Notes will carry an interest rate of 8.8375% per annum. The interest payable on the relevant interest payment date, April 11, 1989 will be U.S. \$11,169.82 and U.S. \$446.73 respectively for Notes in denominations of U.S. \$250,000 and U.S. \$10,000.

By: The Chase Manhattan Bank, N.A.  
London, Agent Bank

October 11, 1988

ACCOUNTANCY

The Financial Times proposes to publish this survey on 18th November 1988

For a full editorial synopsis and advertisement details please contact:  
Jacqueline Keegan  
on 01-248-8000 ext 3740

or write to her at:  
Bracken House  
10 Cannon Street,  
London  
EC4P 4BY

**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER

# SOLVAY

innovation,  
a tradition  
for 125 years

1863 SOLVAY 1988

- SOLVAY: a world industrial leader
- one of the world's largest chemical companies
- annual sales of more than \$6 billion
- 300 facilities in 32 countries around the world

- SOLVAY: a desire for progress
- 3,300 employees involved in research throughout the world

- SOLVAY: 5 sectors of business activity
- ALKALIS
- PEROXYGENS
- PLASTICS
- PLASTICS PROCESSING
- HEALTH

SOLVAY: 45,000 skilled, competent employees

To be among the best in the world in a limited number of fields selected on the basis of technical knowledge, production capability, and marketing expertise.

**SOLVAY**  
Solvay & Cie  
Rue du Prince Albert 33  
B-1050 Brussels  
Tel.: 02/516.61.11

**SOLVAY, THE CHEMISTRY OF TOMORROW**



FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, Aegis Unit Trust, and others, including their names and brief descriptions.

Table listing unit trusts under the heading 'AEGIS UNIT TRUST', including details like 'AEGIS GROWTH' and 'AEGIS INCOME'.

Table listing unit trusts under the heading 'ALPHA UNIT TRUST', including details like 'ALPHA GROWTH' and 'ALPHA INCOME'.

Table listing unit trusts under the heading 'ALPHA UNIT TRUST', including details like 'ALPHA GROWTH' and 'ALPHA INCOME'.

Table listing unit trusts under the heading 'ALPHA UNIT TRUST', including details like 'ALPHA GROWTH' and 'ALPHA INCOME'.

Table listing unit trusts under the heading 'ALPHA UNIT TRUST', including details like 'ALPHA GROWTH' and 'ALPHA INCOME'.

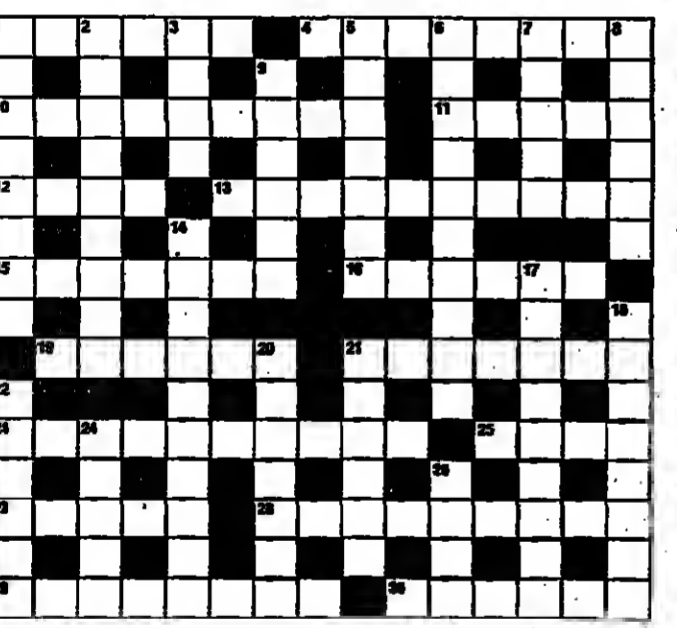
Table listing unit trusts under the heading 'ALPHA UNIT TRUST', including details like 'ALPHA GROWTH' and 'ALPHA INCOME'.

Table listing unit trusts under the heading 'ALPHA UNIT TRUST', including details like 'ALPHA GROWTH' and 'ALPHA INCOME'.

Table listing unit trusts under the heading 'ALPHA UNIT TRUST', including details like 'ALPHA GROWTH' and 'ALPHA INCOME'.

I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD. Tel: 01-828 7233/5699 Reuters Code: IGIN, IGI0

CROSSWORD No. 6,755 Set by QUARK



- ACROSS
1 One's thrown having to debate endlessly (6)
2 Mediculous account by man of the cloth (8)
3 Run down, e.g. tired an' beaten (9)
4 Within part of West Ham, Conger and Epping (8)
5 Tabitha moves round the environment (7)
6 It's observed at court (6)
7 Once a temporary dwelling area (6)
8 So tired? Could be enlivened by this (7)
9 Destroyed open vessel, bunk losing top (10)
10 An old convict recalled a celebration (4)
11 Tabitha mineral that can be burnt (8)
12 I've Rugby Union trip being arranged invasion (9)
13 Early morning callers (6)
14 Flirt that's up a net, twisting (6)
15 Cover for one who cahnges? (6,3)
16 Frises - imperative without a book? (6)
17 Elemental scientist (7)
18 Undated letters surprisingly include a number not dealt with (10)
19 It's quite an affair with row 150 missing (6)
20 Bury last bit of waste flung out (6)
21 It brings good luck to many at the races (9)
22 Urchin from western town (one horse)? (6,4)
23 Detachment that has been called upland (9)
24 Notice joint account initially with money attached (8)
25 Scarf if in one man's environment (7)
26 Make mistake in case? Must be the drink (8)
27 See 1 down
28 Bender is breaking up below (5)
29 Some crepe (elastic) used as a weapon (6)

The solution to last Saturday's prize puzzle will be published with names of winners on Saturday October 22.

GUIDE TO UNIT TRUST PRICING

The data included under the Authorised section of the FT Unit Trust Information Service is being updated to improve the service to readers and to conform with new legislation. These represent the underlying, administrative and other costs which have to be paid by the unit trust.

Main table of unit trust pricing with columns for Unit Name, Unit Price, and other financial details.

Additional table of unit trust pricing, continuing the list from the previous table.



Jeffie Ltd

FT UNIT TRUST INFORMATION SERVICE

Main table containing unit trust information, including columns for company names, fund names, and numerical values. Includes sub-sections like 'INSURANCES' and 'OTHER UK UNIT TRUSTS'.

Table listing 'OTHER UK UNIT TRUSTS' with columns for company names and fund details.

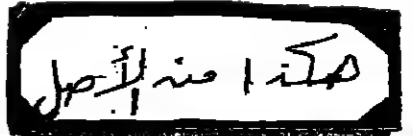
INSURANCES

Table listing insurance companies and their respective unit trusts.









FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Main table of FT Unit Trust Information Service, listing various unit trusts with columns for name, price, and other details.

Table of London Share Service, including sections for British Funds, Foreign Bonds & Rails, and Americans, with columns for fund names and prices.

OTHER OFFSHORE FUNDS

Table listing other offshore funds with columns for fund names and prices.

Table of Money Market Trust Funds and Money Market Bank Accounts, listing various financial products and their details.



CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Pound firm as dollar falls

STERLING WAS the strongest of the major currencies on the foreign exchanges yesterday. Mr Nigel Lawson, Chancellor of the Exchequer, has the opportunity to influence the market this month, with several interviews and speeches. Speaking on television at the weekend the Chancellor warned interest rates will remain high for as long as necessary to get on top of inflation. He added that rates could be pushed higher if the pound suffers downward pressure.

DM3.1775 from DM3.1625; to Y226.50 from Y226.25; to SF2.6875 from SF2.6825; and to FF10.8275 from FF10.7675. The pound's exchange rate index, on Bank of England figures, rose to 76.3 from 75.9. The Government's determination to hold the level of inflation, gave investors renewed confidence, and the December price moved up to 97.05 from 96.21 at the opening and 96.25 on Friday. Short sterling contracts were a little more hesitant. While

bank did not intervene when the dollar was fixed at DM1.8557, compared with DM1.8676 on Friday. The fixing was near the bottom of the morning's range. Trading was dull in Frankfurt, with the strong pound and Japanese yen attracting most attention. In Paris trading was also quiet, with the D-Mark fixed at FF3.4078, little changed from Friday's level of DM3.4078. Fears of growing social unrest in France had no impact on the foreign exchanges. Public sector strikes have not depressed the franc yet, and there has not been any sign of intervention by the Bank of France, but dealers believe the central bank will sell D-Marks at some time this week. There was no reaction to news that the Bank of France left its money market intervention rate unchanged at yesterday's securities repurchase tender.

FINANCIAL FUTURES

Renewed demand for gilts

GILT FUTURES built on Friday's firmer tone, in yesterday's Life market, gaining confidence from a stronger pound. The Government's determination to hold the level of inflation, gave investors renewed confidence, and the December price moved up to 97.05 from 96.21 at the opening and 96.25 on Friday. Short sterling contracts were a little more hesitant. While

improving from a start of 96.27, the December price was still down from Friday's close of 96.52, at 96.30. A warning by Mr Nigel Lawson, the Chancellor, that interest rates would be increased - if necessary - in order to control inflation, instilled a note of caution among traders. However, values managed to finish above the day's lows, as

a firmer pound helped cash rates to ease back. US Treasury bond futures opened on a firmer note, carrying on the sharp rally seen on Friday. However, buying interest was not sustained, and investors came in to take profits. Nevertheless, the contract was still slightly firmer at the close at 90.04, down from 90.09 at the start, but still up from Friday's finish of 89.30.

Mr Lawson's confirmation of this policy sent the pound up, as the market now appears to have a one way bet on sterling. The official view indicates that the pound will remain firm with base rates at the present level of 12 p.c., or it will be firm with even higher rates. Sterling gained 1.40 cents to \$1.7126. The pound also rose to

the dollar had a soft tone, following Friday's announcement of weaker than expected US employment data for September and August. The US currency hovered around a technical support level of DM1.8550, and closed at DM1.8615 on Friday. The dollar also fell to Y132.20 from Y133.25; to SF1.5755 from SF1.5795; and to FF6.3225 from FF6.3400. On Bank of England figures the dollar's index fell to 98.3 from 98.7. In Frankfurt the Bundes-

bank did not intervene when the dollar was fixed at DM1.8557, compared with DM1.8676 on Friday. The fixing was near the bottom of the morning's range. Trading was dull in Frankfurt, with the strong pound and Japanese yen attracting most attention. In Paris trading was also quiet, with the D-Mark fixed at FF3.4078, little changed from Friday's level of DM3.4078. Fears of growing social unrest in France had no impact on the foreign exchanges. Public sector strikes have not depressed the franc yet, and there has not been any sign of intervention by the Bank of France, but dealers believe the central bank will sell D-Marks at some time this week. There was no reaction to news that the Bank of France left its money market intervention rate unchanged at yesterday's securities repurchase tender.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns for Country, Unit, and Rate. Includes Belgium, France, Germany, Italy, Netherlands, etc.

STERLING INDEX

Table showing Sterling Index values for various currencies like US Dollar, Swiss Franc, etc.

CURRENCY RATES

Table showing currency rates for Sterling, US Dollar, Swiss Franc, etc.

DM3.1775 from DM3.1625; to Y226.50 from Y226.25; to SF2.6875 from SF2.6825; and to FF10.8275 from FF10.7675. The pound's exchange rate index, on Bank of England figures, rose to 76.3 from 75.9. The Government's determination to hold the level of inflation, gave investors renewed confidence, and the December price moved up to 97.05 from 96.21 at the opening and 96.25 on Friday. Short sterling contracts were a little more hesitant. While

EURO CURRENCY INTEREST RATES

Table showing Euro currency interest rates for various currencies and terms.

DM3.1775 from DM3.1625; to Y226.50 from Y226.25; to SF2.6875 from SF2.6825; and to FF10.8275 from FF10.7675. The pound's exchange rate index, on Bank of England figures, rose to 76.3 from 75.9. The Government's determination to hold the level of inflation, gave investors renewed confidence, and the December price moved up to 97.05 from 96.21 at the opening and 96.25 on Friday. Short sterling contracts were a little more hesitant. While

EXCHANGE RATES

Table showing exchange rates for various currencies like Australia, Canada, etc.

DM3.1775 from DM3.1625; to Y226.50 from Y226.25; to SF2.6875 from SF2.6825; and to FF10.8275 from FF10.7675. The pound's exchange rate index, on Bank of England figures, rose to 76.3 from 75.9. The Government's determination to hold the level of inflation, gave investors renewed confidence, and the December price moved up to 97.05 from 96.21 at the opening and 96.25 on Friday. Short sterling contracts were a little more hesitant. While

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates for 3 months and 6 months US dollars.

MONEY MARKETS

Rates hold steady

THERE WAS little change in interest rates on the London money market yesterday. Rates firmed in early trading, with three-month interbank offered at 12 p.c., in response to remarks by Mr Nigel Lawson, the Chancellor, at the weekend. His warning that rates will stay high until inflation comes down, and could rise if the pound weakens, pushed the market firmer. But this also led to a rise in the value of sterling, and in

NEW YORK

bank balances below target absorbing \$160m. These factors were offset by Exchequer transactions adding \$300m to liquidity, and a fall in the note circulation of \$440m. In Frankfurt call money was unchanged at 4.80 p.c., in quiet trading, as the market awaited the terms of this week's securities repurchase agreement from the West German Bundesbank. The central bank may offer an unchanged fixed rate of 4.25 p.c., but some dealers believe there is likely to be a split tender, with a fixed rate at 4.25 p.c., and also a variable rate offering. The market was also divided on the size of the tender to replace DM18.5bn draining from the market, as an earlier pact expires. Tax payments could mean the Bundesbank will allocate over DM20bn, according to some traders, but others suggested there was no need for extra liquidity, even though the authorities will wish to keep call money below the emergency Lombard borrowing rate of 5 p.c. Banks holdings at the Bundesbank so far this month have been around the expected average requirement of DM54.4bn. In Paris the Bank of France left its money market intervention rate at 7 p.c. at yesterday's securities repurchase tender, when allocating funds against first category paper.

MONEY RATES

Table showing money rates for Treasury Bills and Bonds in New York.

LONDON MONEY RATES

Table showing London money rates for various currencies and terms.

ANNOUNCEMENTS

Announcement from SRI International regarding the re-joining of R.A. Stewart as Senior Director, Europe. SRI International, Menlo Park Street, 4 Addiscombe Road, Croydon CR0 5TT, England. Tel: 01-856 5045 Fax: 01-760 0635.

ART GALLERIES

ART GALLERIES listing various art galleries and their locations.

EUROPEAN OPTIONS EXCHANGE

Large table showing European options exchange data for various currencies and contracts.

BASE LENDING RATES

Table showing base lending rates for various banks and currencies.

COMPANY NOTICES

COMPANY NOTICES section containing various corporate announcements.

CLUBS

CLUBS section containing information about various clubs.

REAL-TIME FUTURES AND OPTIONS PRICES

REAL-TIME FUTURES AND OPTIONS PRICES section providing market data.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

WESTLB

WESTLB advertisement for fixed income and equities trading.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.

ANNOUNCEMENTS

ANNOUNCEMENTS section containing various corporate announcements.



Johnnie 11/10

Slow session as London lacks a lead

THE UK stock market, lacking leadership from either Tokyo or New York, abandoned an initial attempt to move higher yesterday and settled down to close with little change of direction from Friday's closing levels.

Amount Dealings Tables with columns for West, Open, and Last Dealings.

On the domestic front, the UK markets are waiting for the announcement on Friday of the latest UK Retail Price Index, as well as for any news on the economy from speeches by Government Ministers at this week's Conservative Party Conference.

prospects for the US August trade figure, to be announced on Thursday.

The market opened firmly despite lack of overnight business from Tokyo where markets were closed yesterday for a national holiday.

International stocks were largely neglected and it was left to a reduced crop of speculative issues to provide the features.

to fire protection group, sent reverberations through the market because Williams has been a predicted bidder elsewhere.

Shares in London & Scottish Marine (LASMO) came under a cloud as the market tried to weigh the chances for the auction of LASMO's 25 per cent stake in Enterprise Oil.

Tomorrow brings another

major testing point for the UK market when the price will be set for the flotation of Rascal Telecommunications, as Rascal floats off its Vodafone interests.

The FT-SE Index, having edged up by seven points by mid-session, then went into a sluggish reverse as Wall Street flirted with its post-October Crash high point in early trading.

Lonrho traders sensitive

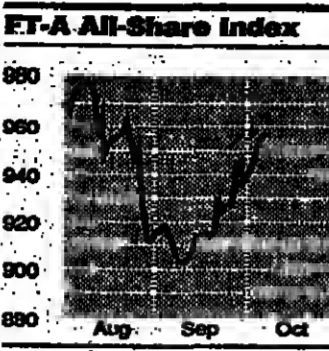
A new twist in the Lonrho serial found marketmakers sensitive and the shares dropped on sustained intra-market trading, before rallying later. The latest story in the rounds was of an imminent suspension of the group's listing.

Merger opposed. Carless Capel continued to attract heavy buying interest, particularly from one leading UK securities house, and raced up to close 9 higher at 106p, turnover was 3.8m shares.

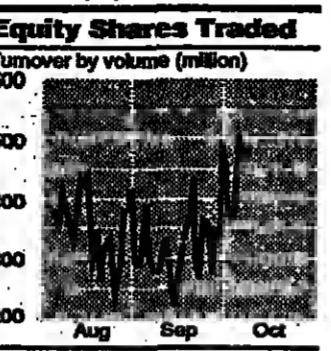
Pilgrim's progress. Pilgrim House, the electrical, engineering and fire protection group, saw its shares leap 54 to 254p after the agreed bid from conglomerate Williams Holdings which values the firm at some £250m.

Reorganising the electricity industry

Mr Cecil Parkinson, the Secretary of State for Energy, has filed out the management of the grid and electricity generating companies, which are to be privatised, with designate appointments to the board that include some of the leading figures in British industry.



FT-A All-Share Index



Equity Shares Traded

Hoffman Pollard group and Burgess Products. The terms of the Williams bid are 25 convertible preference shares, for every 10 Pilgrim's. There is a 2 per cent alternative.

Oil shares slipped away despite a much firmer performance by crude prices which were up almost 50 cents a barrel after the Saudi Arabians officially denied they were about to pull out of OPEC.

NEW HIGHS AND LOWS FOR 1988. LISTING OF STOCKS WITH HIGHS AND LOWS.

APPOINTMENTS



Mr John Ogden (above), chairman and managing director of CONOCO (UK), is to leave London to become senior vice president, subsidiaries at the parent company's headquarters in Houston, Texas.

Mr John Banks, CEGB divisional director of transmission, Mr Eric Chefeaux, CEGB area systems operation manager, Mr Arthur Fowkes, CEGB director, system operation, and Mr John Uttley, CEGB corporate director of finance.

cat and Atkin. The Kitcat team describe the MMC decision as "so harsh and unreasonable that it is unlikely to be implementable".

LASMO and Enterprise were sold off early on, but rallied late in the day, with the latter finally 5 1/2 down at 225 1/2 and LASMO 9 1/2 at 614p.

There were plenty of stories and rumours in the electronics sector, apart from Pilgrim House. One again Ferranti stole the honours as far as turnover was concerned with some 10m shares changing hands, following the 12m which traded on Friday.

There were plenty of stories and rumours in the electronics sector, apart from Pilgrim House. One again Ferranti stole the honours as far as turnover was concerned with some 10m shares changing hands, following the 12m which traded on Friday.

Executive directors of "Big G" will be Mr Frank Ledger, CEGB board member for production, Mr Sam Goddard, CEGB corporate director of system planning, Mr Peter Chester, CEGB director for the environment, and Mr Graham Hadley, CEGB board secretary.

Mr Harry Englander has been appointed group finance director of ZAL HOLDINGS.

Mr Ian Collier has been appointed marketing director of HINARI CONSUMER ELECTRONICS.

Mr David Bevan is to become managing director, group, of the NABISCO GROUP on December 5.

Mr Stephen Parks has been appointed deputy chairman of HAMPTONS.

Hoare Govett, and hardened to 108 1/2p with turnover expanding to 7.3m shares.

Brewery stocks reflected the lack of turnover in the wider market, with dealers reporting low volumes. There was a brief flurry of activity in Allied Lyons early on which sent the price 1 1/2 higher to 47 1/2 before it drifted off to close at 47 1/2 in turnover of 2.5m shares.

Grand Metropolitan fell 5 to 446p and was the subject of considerable confusion in early dealing as traders tried to set a price following the dividend.

The buoyant building sector was highlighted by persistent and often heavy buying interest in George Wimpey, the construction and house-building group.

Among stores, Underwoods fell 5 to 89p after adverse weekend price comment, while Tesco rose 2 more to 149p, but Gateway fell 4 to 166p after adverse press comment at the weekend.

Capital Radio was a strong market and determined buyers sent the shares racing ahead to close at 385p, a gain of 19p.

There were plenty of stories and rumours in the electronics sector, apart from Pilgrim House. One again Ferranti stole the honours as far as turnover was concerned with some 10m shares changing hands, following the 12m which traded on Friday.

There were plenty of stories and rumours in the electronics sector, apart from Pilgrim House. One again Ferranti stole the honours as far as turnover was concerned with some 10m shares changing hands, following the 12m which traded on Friday.

Rascal, turnover 3m shares, edged up 2 1/2 to 175p ahead of Wednesday's expected pricing of Rascal Telecommunications - rumoured to be 175p a share.

FINANCIAL TIMES STOCK INDICES

Table with columns for Oct 10, Oct 7, Oct 6, Oct 5, Oct 4, Ago, High, Low, 1985, Since Completion, High, Low.

S.E. ACTIVITY table with columns for Oct 7, Oct 5, Oct 4, Oct 3, Oct 2, Oct 1.

London Report and latest Share Index: Tel. 0858 123001

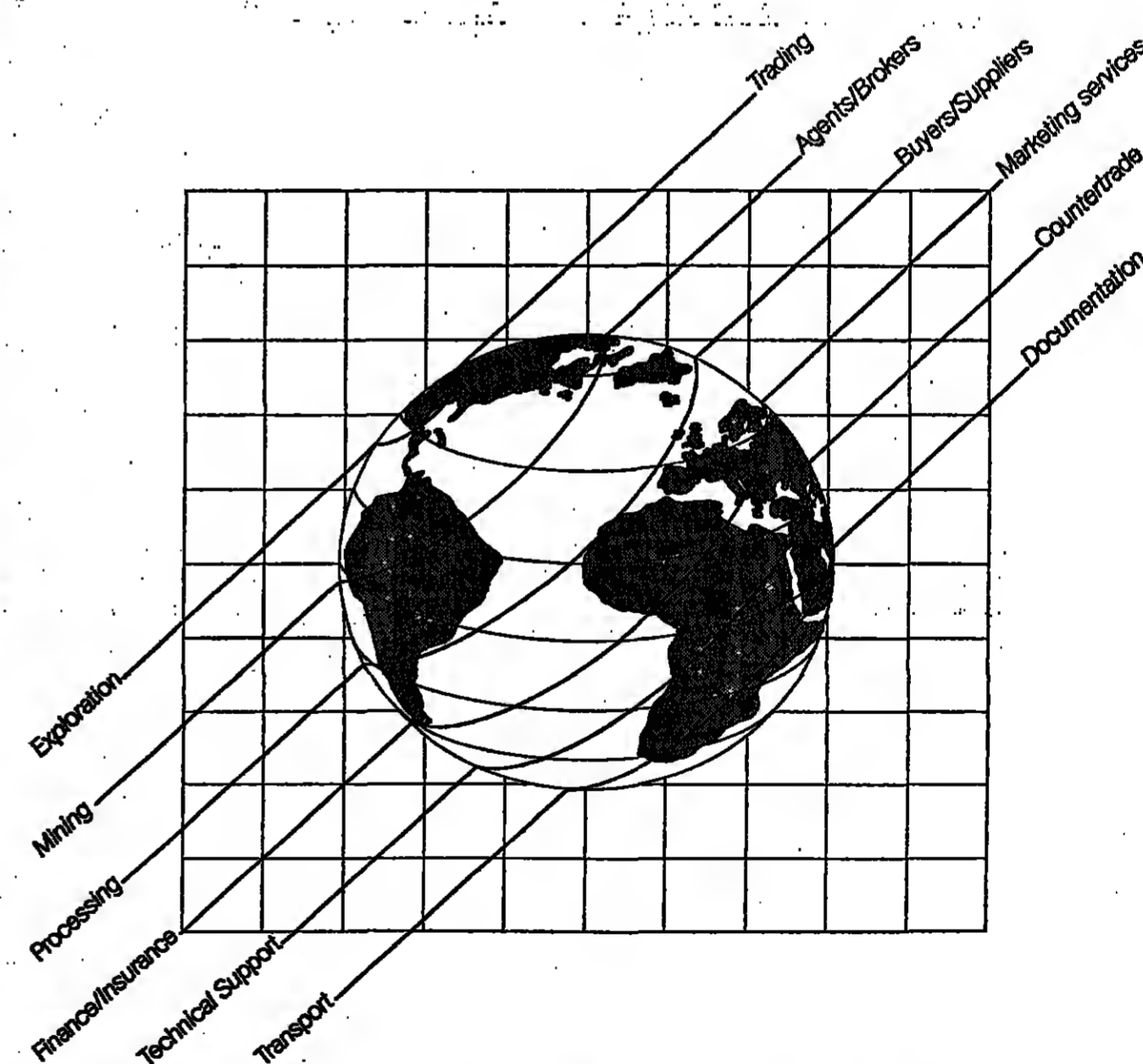
TRADING VOLUME IN MAJOR STOCKS

Table showing trading volume for various stocks with columns for Stock, Value, Daily, Buy's, Sell's.

Television issues continued last week's strength following weekend press comment, although dealers said there was little stock around to meet demand.

Among agencies, Carlton Communications went ex-rights and fell 35 to 596p, effectively unchanged on the day.

Other market statistics, including FT-Actuaries Share Index and London Traded Options, Page 33



Metallgesellschaft. Strong Links to World Markets. Through its own international network of skilled professionals, joint ventures and partnerships, Metallgesellschaft is also active in fields as diverse as environmental technology and plantbuilding, chemicals and metallurgy.



LONDON SHARE SERVICE

AMERICANS - Contd

Table listing American companies such as American Cyanamid, American International, and American Overseas, with columns for stock price, bid, offer, and volume.

CANADIANS

Table listing Canadian companies such as Canadian National, Canadian Pacific, and Canadian Western, with columns for stock price, bid, offer, and volume.

BANKS, HP & LEASING

Table listing financial institutions and leasing companies such as Bank of Montreal, Bank of Toronto, and Finance Trust, with columns for stock price, bid, offer, and volume.

Hire Purchase, Leasing, etc.

Table listing hire purchase and leasing companies such as Finance Trust, Finance Leasing, and Finance Leasing, with columns for stock price, bid, offer, and volume.

BEERS, WINES & SPIRITS

Table listing beverage companies such as Carlsberg, Heineken, and J. & J. White, with columns for stock price, bid, offer, and volume.

BUILDING, TIMBER, ROADS - Contd

Table listing construction and infrastructure companies such as Bovis Lend Lease, Bovis Lend Lease, and Bovis Lend Lease, with columns for stock price, bid, offer, and volume.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies such as ICI, ICI, and ICI, with columns for stock price, bid, offer, and volume.

DRAPERY AND STORES

Table listing drapery and retail companies such as Debenhams, Debenhams, and Debenhams, with columns for stock price, bid, offer, and volume.

BUILDING, TIMBER, ROADS

Table listing construction and infrastructure companies such as Bovis Lend Lease, Bovis Lend Lease, and Bovis Lend Lease, with columns for stock price, bid, offer, and volume.

ELECTRICALS - Contd

Table listing electrical companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

ELECTRICALS

Table listing electrical companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

ENGINEERING

Table listing engineering companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

ENGINEERING - Contd

Table listing engineering companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

ENGINEERING

Table listing engineering companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

HOTELS AND CATERERS

Table listing hotel and catering companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

INDUSTRIALS (Misc.)

Table listing various industrial companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

INDUSTRIALS (Misc.)

Table listing various industrial companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

INDUSTRIALS (Misc.) - Contd

Table listing various industrial companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

INDUSTRIALS (Misc.)

Table listing various industrial companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

INSURANCES

Table listing insurance companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

LEISURE

Table listing leisure companies such as British Electric, British Electric, and British Electric, with columns for stock price, bid, offer, and volume.

Handwritten note: 10/11/66



John 150

LONDON SHARE SERVICE

LEISURE - Contd

Table of share prices for Leisure sector, including companies like British Airways, British Overseas Airways, and others.

PROPERTY

Table of share prices for Property sector, including companies like British Land, Commercial Union Assurance, and others.

TEXTILES - Contd

Table of share prices for Textiles sector, including companies like British Cotton Textiles, and others.

TOBACCO

Table of share prices for Tobacco sector, including companies like British American Tobacco, and others.

TRUSTS, FINANCE, LAND

Table of share prices for Trusts, Finance, and Land sector, including companies like British Trustee, and others.

TRUSTS, FINANCE, LAND - Contd

Continuation of share prices for Trusts, Finance, and Land sector.

OIL AND GAS - Contd

Table of share prices for Oil and Gas sector, including companies like British Petroleum, and others.

MINES - Contd

Table of share prices for Mines sector, including companies like Anglo American, and others.

MOTORS, AIRCRAFT TRADES

Table of share prices for Motors and Aircraft Trades sector, including companies like British Leyland, and others.

Commercial Vehicles

Table of share prices for Commercial Vehicles sector, including companies like Leyland, and others.

Comments

Table of share prices for various companies, including British Airways, British Overseas Airways, and others.

Garages and Distributors

Table of share prices for Garages and Distributors sector, including companies like British Motor, and others.

NEWSPAPERS, PUBLISHERS

Table of share prices for Newspapers and Publishers sector, including companies like News International, and others.

PAPER, PRINTING, ADVERTISING

Table of share prices for Paper, Printing, and Advertising sector, including companies like Newsprint, and others.

SHOES AND LEATHER

Table of share prices for Shoes and Leather sector, including companies like Clarks, and others.

SOUTH AFRICANS

Table of share prices for South African companies, including Anglo American, and others.

TEXTILES

Table of share prices for Textiles sector, including companies like British Cotton Textiles, and others.

Investment Trusts

Table of share prices for Investment Trusts, including companies like British Investment, and others.

Finance, Land, etc

Table of share prices for Finance, Land, and other sectors, including companies like British Trustee, and others.

Oil and Gas

Table of share prices for Oil and Gas sector, including companies like British Petroleum, and others.

Mines

Table of share prices for Mines sector, including companies like Anglo American, and others.

Far West Rand

Table of share prices for Far West Rand sector, including companies like Anglo American, and others.

Central African

Table of share prices for Central African sector, including companies like Anglo American, and others.

Finance

Table of share prices for Finance sector, including companies like British Trustee, and others.

Overseas Traders

Table of share prices for Overseas Traders sector, including companies like British Overseas Airways, and others.

Plantations

Table of share prices for Plantations sector, including companies like British Overseas Airways, and others.

Mines

Table of share prices for Mines sector, including companies like Anglo American, and others.

Far West Rand

Table of share prices for Far West Rand sector, including companies like Anglo American, and others.

Central African

Table of share prices for Central African sector, including companies like Anglo American, and others.

Finance

Table of share prices for Finance sector, including companies like British Trustee, and others.

Oil and Gas

Table of share prices for Oil and Gas sector, including companies like British Petroleum, and others.

Mines

Table of share prices for Mines sector, including companies like Anglo American, and others.

Overseas Traders

Table of share prices for Overseas Traders sector, including companies like British Overseas Airways, and others.

Plantations

Table of share prices for Plantations sector, including companies like British Overseas Airways, and others.

Mines

Table of share prices for Mines sector, including companies like Anglo American, and others.

Far West Rand

Table of share prices for Far West Rand sector, including companies like Anglo American, and others.

Central African

Table of share prices for Central African sector, including companies like Anglo American, and others.

Finance

Table of share prices for Finance sector, including companies like British Trustee, and others.

Oil and Gas

Table of share prices for Oil and Gas sector, including companies like British Petroleum, and others.

Mines

Table of share prices for Mines sector, including companies like Anglo American, and others.

Overseas Traders

Table of share prices for Overseas Traders sector, including companies like British Overseas Airways, and others.

Plantations

Table of share prices for Plantations sector, including companies like British Overseas Airways, and others.

Mines

Table of share prices for Mines sector, including companies like Anglo American, and others.

Far West Rand

Table of share prices for Far West Rand sector, including companies like Anglo American, and others.

Central African

Table of share prices for Central African sector, including companies like Anglo American, and others.

Finance

Table of share prices for Finance sector, including companies like British Trustee, and others.

Oil and Gas

Table of share prices for Oil and Gas sector, including companies like British Petroleum, and others.

Mines

Table of share prices for Mines sector, including companies like Anglo American, and others.

THIRD MARKET

Table of share prices for Third Market, including companies like Anglo American, and others.

NOTES

Stock Exchange dealing classification are indicated to the right of security names. A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z.

REGIONAL & IRISH STOCKS

Table of share prices for Regional and Irish Stocks, including companies like Anglo American, and others.

TRADITIONAL OPTIONS

Table of share prices for Traditional Options, including companies like Anglo American, and others.

A selection of 30 shares traded in the London Stock Exchange is given on the opposite page.



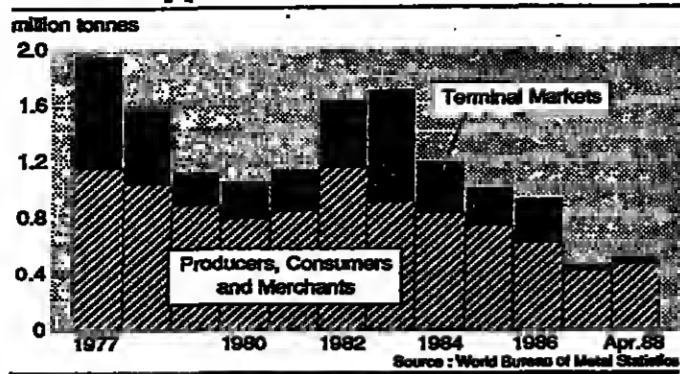
COMMODITIES AND AGRICULTURE

Copper surge continues as stocks fall further

By David Blackwell

COPPER PRICES continued to rise yesterday as stock figures carried on falling. Shearson Lehman Hutton, the London broker, predicted a "strong and volatile copper market for the next few months as inventories are so dangerously low."

World copper stocks



As the review forecasts a decline in non-Communist world stocks of 170,000 tonnes this year, and a surplus of 275,000 tonnes and 515,000 tonnes in 1988 and 1989 respectively. Mine production for this year is put at 6.7m tonnes, growing to 7.2m tonnes next year and 7.4m tonnes in 1989.

As production overhauls demand, Shearson expects pressure to mount on prices. It puts this year's LME cash price average at 111 cents a lb, falling to 100 cents next year and an average 80 cents in 1990.

Oil prices rebound sharply

By Steven Butler

OIL PRICES rebounded sharply yesterday as traders reacted to positive statements regarding production output from the major oil producers, who are preparing for a meeting of the Organisation of Petroleum Exporting Countries next week.

A statement from the Saudi cabinet, chaired by King Fahd, said the Kingdom would cut oil production immediately if other Opec members respected production quotas. The statement was an evident attempt to set the tone for next week's meeting.

Zinc prices soar on LME

By David Blackwell

ZINC PRICES soared yesterday on the London Metal Exchange as stocks in LME warehouses fell to the lowest level for nearly a year.

Cash metal, which ended last week \$95 a tonne ahead, added another \$2.50 by yesterday's close to reach \$148.50 a tonne. Three-month metal - \$25.50 up at the end of last week - put on a further \$30 to close at \$1,342.50 a tonne. The premium for cash metal over three-month is now the biggest this year at \$122.50 a tonne, reflecting the tightness of nearby supplies.

Drought stunts US farm income

By Nick Garnett in Washington

NET INCOME of US farmers is expected to fall this year to about \$55bn from \$77bn last year as a result of the summer drought.

However, the fall does not fully reflect the harm caused by this year's severe dry weather in the main US maize and wheat belts. The selling of large maize stocks held by farmers at relatively high prices earlier this year and the healthy performance of livestock and fruit farming helped to reduce the size of the drop.

Mr Peter Myers, Deputy Secretary of Agriculture, said yesterday that the maize yield was down 40 per cent overall on last year.

Yields in wheat in the northern plains states of Montana, the Dakotas and parts of Minnesota were down as much as 80 per cent, Mr Myers said. However, there had been an increase in yields of wheat from the so-called soft wheat areas of Oklahoma and Kansas. As a result the total wheat crop would be down only marginally.

That was partly because of lower interest rates and lower costs for chemicals and fertilisers. Total farm debt was also much lower than in the early 1980s - down from \$200bn then to \$140bn now.

The Federal Government estimates that the US will have ten or 11 months' supply of feed grains and wheat after the year's harvest to meet domestic consumption and exports.

Mr Myers said stocks would be a problem next year if there was a second consecutive drought, but the chances of that happening were a million to one, he added.

The set aside for US grain farmers next year will be 10 per cent compared 24.6 per cent this year. The set aside has to be agreed by any individual farmer in order to qualify for government loans.

Mr Myers said the US Government's long-term crop land has so far removed 23m acres over the past three years. The target is 45m acres.

Farmers receive payments for taking out this land and committing it to forest or grassland and must keep the land out of agriculture for ten years.

Mr Myers said the US Government's long-term crop land has so far removed 23m acres over the past three years. The target is 45m acres.

Farmers receive payments for taking out this land and committing it to forest or grassland and must keep the land out of agriculture for ten years.

Running the October grain race

Autumn sowing poses problems but yields make it well worthwhile

FOR THE last few weeks the arable men on our farm have been starting work at 6 am and carrying on until well past dark. When the weather has been fine their 14-hour days have continued through weekends.

The purpose has been to plant as much as possible of our autumn-sown cereals before too much of the kind of weather we are having this week makes it impossible to continue.

Contrary to popular perception October is the busiest month of the year on arable farms as all available tractors and men try to beat the onset of winter and ensure that key crops for harvesting next year get off to a good and timely start. In comparison, the harvest month of August is almost a doddle.

Attempting to clear the previous year's crops in August and September then cultivate and re-plant a high proportion of the land over the course of the next few weeks created a labour demand peak in October but left the same amount of work to do for the rest of the year.

One way that peak could be reduced was to burn the straw instead of baling and carting it off the land and lightly cultivating; the now bare topsoil with wide implements, instead of ploughing, which was much slower.

It was an opportunity farmers could not afford to refuse. They responded by steadily increasing autumn plantings of both wheat and barley leaving as little as possible to plant in the spring. But the change of policy was not without its problems.

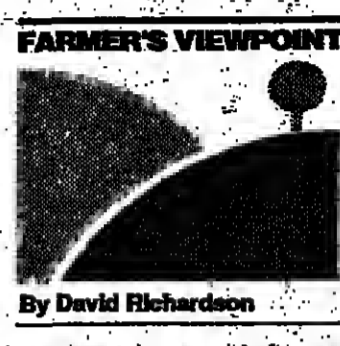
These cut the straw into pieces a few inches long during the harvesting process. And whereas long straw is impossible to plough under because it clogs the machine, these short lengths can be buried fairly easily.

So it could be said that two of the problems facing cereal growers have been at least partly solved by a combination of tradition and technology.

The difficulty remains, however, of cultivating and planting the maximum acreage in the autumn so as to maximise cash returns. Indeed these latest techniques while accepted as being necessary have slowed progress almost to pre-straw-burning speed.

But perhaps I should not be too positive in writing of the success of selling to stable farmers who have at least one third of our autumn planting still to do. With more continuous heavy rain such as we had in 1987 some of that would not be completed.

It is to avoid that if at all possible that some of our men have been working such long hours.



By David Richardson

Ministries called in on aluminium row

By John Murray Brown in Jakarta

INDONESIA YESTERDAY appeared to be looking for a way out of the increasingly bitter trade dispute with Japan over the Asahan aluminium joint venture, now in its fourth month.

Mr Rauf Suhud, chairman of the Asahan Development Authority, the Indonesian body in charge of the \$41bn (€1.6bn) project, announced yesterday that all negotiations from the Indonesian side had been entrusted to Mr Johannes Sumarlin, the Finance Minister.

Yesterday Mr Suhud for the first time publicly defended Indonesia's decision in August to suspend aluminium shipments to Japan from its north Sumatran smelter - a move which MITI officials described as "a breach of normal trade practice."

Mr Suhud explained that Indonesia was seeking an improved share of the off-take to satisfy domestic demand and take advantage of the record high prices for the metal.

Traders also say Indonesia plans to build a casting house at Asahan to produce alloy aluminium for the manufacture of household utensils - another reason to demand an increased share. Asahan currently produces only virgin aluminium.

Mr Suhud yesterday insisted that all of Indonesia's demands were in line with the original master agreement of 1975. Mr Suhud's first public statement on the dispute was intended to counter what he called "the distorted picture" conveyed from the Japanese side.

WORLD COMMODITIES PRICES

LONDON MARKETS

GOLD PRICES rose as the dollar weakened and the oil price strengthened. Dealers said the breach of resistance at \$405 in early trading had sparked some stop-loss buying in fairly active conditions. Good underlying physical demand aided sentiment. The bullion price closed \$4 ahead at \$407 an ounce. Platinum and silver prices were slightly higher. Cocoa prices rose on chart-inspired buying, the three-month price closing above \$200 a tonne for the first time since September 8. Technically the market looks encouraging after a long-term downturn was broken last week, dealers said. But late evidence of producer selling possibly by Ghana, Malaysia and Brazil brought prices down from the day's highs towards the close. On the LME aluminium prices retreated on news of an increase in world stocks.

SPOT MARKETS

Table listing spot market prices for various commodities like Brent, W.T.I., Oil products, Premium Gasoline, Gas Oil, Heavy Fuel Oil, etc.

COCOA 5 tonnes

Table showing cocoa prices with columns for Close, Previous, High/Low, and dates.

COFFEE 5 tonnes

Table showing coffee prices with columns for Close, Previous, High/Low, and dates.

SOYABEAN 5 tonnes

Table showing soyabean prices with columns for Close, Previous, High/Low, and dates.

W.T.I. (1 pm set)

Table showing W.T.I. prices with columns for Close, Previous, High/Low, and dates.

Oil products

Table showing oil product prices with columns for Close, Previous, High/Low, and dates.

Premium Gasoline

Table showing premium gasoline prices with columns for Close, Previous, High/Low, and dates.

Gas Oil

Table showing gas oil prices with columns for Close, Previous, High/Low, and dates.

Heavy Fuel Oil

Table showing heavy fuel oil prices with columns for Close, Previous, High/Low, and dates.

Platinum (per troy oz)

Table showing platinum prices with columns for Close, Previous, High/Low, and dates.

Silver (per troy oz)

Table showing silver prices with columns for Close, Previous, High/Low, and dates.

Aluminium (per tonne)

Table showing aluminium prices with columns for Close, Previous, High/Low, and dates.

Copper (per tonne)

Table showing copper prices with columns for Close, Previous, High/Low, and dates.

LONDON METAL EXCHANGE

Table showing London Metal Exchange prices for various metals like Aluminium, Cash, 3 months, etc.

POTASSIUM 5 tonnes

Table showing potassium prices with columns for Close, Previous, High/Low, and dates.

SOYABEAN MEAL 5 tonnes

Table showing soyabean meal prices with columns for Close, Previous, High/Low, and dates.

WHEAT 5 tonnes

Table showing wheat prices with columns for Close, Previous, High/Low, and dates.

BARLEY 5 tonnes

Table showing barley prices with columns for Close, Previous, High/Low, and dates.

LONDON BULLION MARKET

Table showing London Bullion Market prices for Gold, Silver, etc.

LONDON METAL EXCHANGE TRADED OPTIONS

Table showing London Metal Exchange traded options for Aluminium, Copper, etc.

US MARKETS

MOST COMMODITY markets lacked volatility due to Columbus day, reports Drexel Burnham Lambert. The crude oil market was not one of those markets. Prices rallied over 70 cents without any major news to report. The metal markets used the rally in crude oil to produce one of their own. Gold soared 6 dollars while silver advanced 5 dollars. Platinum followed the other metals posting a 8 dollar gain. With LME copper stocks down, copper rallied 0.45 points in the coffee, some price buying in the cocoa led to light speculative buying as December closed up 12. Sugar and coffee markets were dominated by local activity. The meat markets had very little action with only some short-covering featured in the pork bellies. The grain markets were also exceptionally quiet. Soybeans and corn had a lacklustre day while wheat futures saw some liquidation.

New York

Table showing New York market prices for Gold, Silver, etc.

PLATINUM 50 troy oz

Table showing platinum prices with columns for Close, Previous, High/Low, and dates.

SILVER 5,000 troy oz

Table showing silver prices with columns for Close, Previous, High/Low, and dates.

CRUDE OIL (Light) 42,000 US gals

Table showing crude oil prices with columns for Close, Previous, High/Low, and dates.

HEATING OIL 42,000 US gals

Table showing heating oil prices with columns for Close, Previous, High/Low, and dates.

COGOLA 10 tonnes

Table showing cogola prices with columns for Close, Previous, High/Low, and dates.

COFFEE 37,000 lbs

Table showing coffee prices with columns for Close, Previous, High/Low, and dates.

SUGAR WORLD 111 112,000 lbs

Table showing sugar prices with columns for Close, Previous, High/Low, and dates.

PLATINUM 50 troy oz

Table showing platinum prices with columns for Close, Previous, High/Low, and dates.

SILVER 5,000 troy oz

Table showing silver prices with columns for Close, Previous, High/Low, and dates.

Chicago

Table showing Chicago market prices for Soyabean, Corn, etc.

SOYABEAN 5,000 lb

Table showing soyabean prices with columns for Close, Previous, High/Low, and dates.

CORN 5,000 lb

Table showing corn prices with columns for Close, Previous, High/Low, and dates.

WHEAT 5,000 lb

Table showing wheat prices with columns for Close, Previous, High/Low, and dates.

LIVE CATTLE 40,000 lbs

Table showing live cattle prices with columns for Close, Previous, High/Low, and dates.

LIVE HOGS 30,000 lbs

Table showing live hogs prices with columns for Close, Previous, High/Low, and dates.

Handwritten scribble or signature at the bottom left of the page.



WORLD STOCK MARKETS

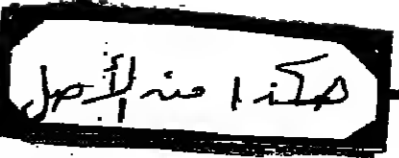


Table of stock market data for Australia, listing various companies and their share prices.

Table of stock market data for Canada, listing various companies and their share prices.

Table of stock market data for the United Kingdom, listing various companies and their share prices.

Table of stock market data for the United States, listing various companies and their share prices.

Table of stock market data for Japan, listing various companies and their share prices.

Table of stock market data for Germany, listing various companies and their share prices.

Table of stock market data for France, listing various companies and their share prices.

Table of stock market data for Italy, listing various companies and their share prices.

Table of stock market data for the Netherlands, listing various companies and their share prices.

Table of stock market data for Sweden, listing various companies and their share prices.

Table of stock market data for Switzerland, listing various companies and their share prices.

Table of stock market data for Norway, listing various companies and their share prices.

Table of stock market data for Denmark, listing various companies and their share prices.

Table of stock market data for Belgium, listing various companies and their share prices.

Table of stock market data for Greece, listing various companies and their share prices.

Notes and footnotes regarding the data, including exchange rates and market conditions.

Vertical text on the left margin, including 'Come', 'race', 'well worth', 'Chicago', and 'Have your F.T. hand delivered in Germany'.

Table of stock market data for the United States, listing various companies and their share prices.

Table of stock market data for the United States, listing various companies and their share prices.

Advertisement for 'Have your F.T. hand delivered in Germany' featuring the Financial Times logo and contact information for Karl Capp and Roberto Alves.



3pm prices October 10

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	Low	Stock	1/4	1/2	3/4	1	1 1/2	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
121 1/2	117 1/2	AAI	1/4	1/2	3/4	1	1 1/2	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100

Continued on Page 51



Handwritten scribble or signature at the bottom of the page.



John 1:10

NYSE COMPOSITE PRICES

OVER-THE-COUNTER

Needing national market, 3pm prices October 10

Main NYSE Composite Prices table with columns for stock symbols, prices, and changes. Includes a detailed legend for stock symbols and a section for 'Selling prices are indicated'.

Over-the-Counter market table listing various stocks and their prices. Includes a section for 'Selling prices are indicated'.

AMEX COMPOSITE PRICES

AMEX Composite Prices table listing stocks traded on the American Stock Exchange.

Continuation of Over-the-Counter market table listing various stocks and their prices.

Advertisement for 'Travelling on Business in the Netherlands?' featuring a list of hotels in Amsterdam and Rotterdam, and a small image of a newspaper.

Advertisement for 'Travelling by air on business?' listing airlines such as Air Canada, American Airlines, and British Airways.



AMERICA

# Holiday keeps trade thin as equities hold steady

Wall Street

There was little movement in equities yesterday in trading quiet due to the closure of banks and the US government bond market for the unofficial Columbus Day Holiday, writes Janet Bush in New York.

In addition, a consolidation and a quietening in activity had been expected after Friday's substantial rally to within a few points of post-October crash highs. The rally had been inspired by news of weaker than expected employment data for September.

At 2pm, the Dow Jones Industrial Average was quoted 2.13 points up at 2,152.38 in volume of around 80m shares by mid-session.

There was no official trading in US Treasuries yesterday and the Federal Reserve System was closed. However, there were some price indications on news screens throughout the session and these showed modest weakness. The Treasury's benchmark long bond was quoted a point lower for a yield of 8.52 per cent following some softness in US bond prices in London trading amid some modest dollar weakness.

When full-blooded trading in US securities markets begins again today, dealers will focus

on various key economic reports due for release this week. The first of these is the publication of August US trade figures on Thursday which are expected to show some widening in the deficit from July's \$9.5bn shortfall. Forecasts vary between a deficit of \$10bn to one nearer \$11.5bn.

Trade figures are always of great interest to the markets but, given some dollar softness in the wake of last Friday's employment report, are in even greater focus.

Friday sees the release of September figures for producer prices, retail sales and industrial production. The signals are mixed for production because the unemployment figures on Friday showed moderation in manufacturing jobs but a slight rise in the average work week. Retail sales are expected to show a healthy rise for September.

Although Friday's unemployment figures indicated a weaker trend for growth in the non-farm payroll, there were some elements to the figures which revealed strength in the labour market. Notable were the larger than expected 0.2 per cent fall in the unemployment rate and rises in hours worked and earnings.

Overall, analysts appear to believe that as long as there

are mixed signals on the economy the US Federal Reserve will hold monetary policy where it is.

The biggest news in the stock market was the long awaited announcement of the merger between First Boston and CSFB, announced late on Sunday. First Boston's share price had added 5% to 34 1/8% by mid-session after news of the merger package which includes a plan to buy-back First Boston shares at \$52.50.

One of the largest movers was Best Products which jumped 5 1/2% to \$26 on news it had agreed to be acquired by Adler & Shnaykin, the New York-based investment company, for \$27.50 a share.

Tenneco added 3/4% to 49 1/4% after it said it has agreed to sell its oil and gas businesses for \$7.5bn which was more than analysts expected.

Time Inc and McGraw-Hill both rose 3/4% to \$119 1/4 and \$72 respectively as Wall Street waits to see who wins control of Macmillan which was unchanged at \$8 3/4.

Pinnacle West Capital plunged 3/4% to \$19 1/8 after the company said 1988 earnings would not allow it to maintain its quarterly dividend at 70 cents a share.

Canada and South Africa were closed for holidays

# Investors find Tokyo's land a fertile asset

Michiyo Nakamoto examines the influence of the property boom on the stock market

The statistics on Tokyo land prices have become the stuff of legend.

For the price of a typical rabbit hutch in this city, you can buy a country estate in England. If you add the Imperial Palace and its surrounding gardens in central Tokyo, you could buy California or Canada, *au choix*.

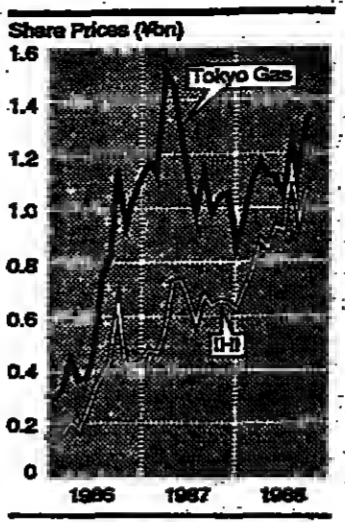
Tokyo land prices have, in fact, eased a bit since the spectacular 60 per cent average rise last year, thanks to new "guidelines" (the Japanese word for controls) established by the metropolitan government.

But they are still sky-high, causing much speculation by those who own land and much unhappiness among those who do not but need it.

The land price surge has been a continuing theme in Japan's stock market in the

past two years, as analysts have combed company balance sheets looking for evidence of property holdings in the Tokyo area. (Under Japanese accounting conventions, assets are never revealed, so the effect of rising property values does not appear in balance sheets.)

In the past few months, the focus has sharpened somewhat. Now that the national and local governments are



loosening their regulations on development to help ease the critical space shortage in the capital, investors have become interested mainly in companies that have property holdings in three areas in the Tokyo metropolitan area.

These are:

- **Tokyo's waterfront.** There has been talk of redeveloping a stretch of land on Tokyo Bay near downtown Tokyo for a number of years. Now there is a possibility of fairly rapid progress, partly because of the easing of restrictions, but also because most of it is vacant.
- **The neighbouring prefecture of Chiba.** The successful development of Tokyo Disneyland on reclaimed land at Urayasu City is gradually rehabilitating the image of an area that was previously known for grubby factories and waterfront businesses.
- **Station fronts.** Many established quoted companies have long had factories or offices in the Tokyo suburbs. Now they are assessing whether the land would be better converted into residential developments, especially if it is near commuter railway stations.

The leading landowners on the waterfront are Ishikawafuji Harima Heavy Industries (IHI), which used to operate huge shipyards there, and Tokyo's two giant utility companies, Tokyo Gas and Tokyo Electric Power.

value will rise. The leading utility's increase has not been as outstanding as that of IHI, but its shares have risen from ¥777 in January, 1986, to a recent ¥1,800.

The main beneficiary so far of the Chiba development is Keisei Electric Railways. Keisei operates a railway that runs through the prefecture between downtown Tokyo and Narita. It is also a large shareholder in Oriental Land, the company that owns the ground on which Disneyland has been built. The Keisei share price has risen from a monthly average of ¥675 in September 1987 to ¥2,780 last month.

Keisei also owns large plots of potential residential sites along its line in Chiba, and thus attracts attention on the station front theme as well.

When the planned office buildings on the waterfront become available for use, there will be a greater need for residential areas nearby. Chiba, and the Urayasu area in particular, fit the bill perfectly, according to Mr Hiroshi Seto, an analyst at the Nikko Research Centre.

Another station front company is Nippon Express, a leading transporter, which has accumulated considerable land over the years for warehouses and stock yards. Many of its sites are adjacent to stations of the recently privatised national railway, JR. Much of the railway's own land is up for redevelopment and Nippon Express will benefit from that trend.

These three themes - Tokyo's waterfront, the Chiba area along Tokyo Bay, and the station front - are likely to continue for some time. The interest, however, will be more focused in future, predicts Mr Yoshio Shima, an analyst at the US securities house Goldman Sachs in Tokyo. At present, very little attention is made between land that is actually available for redevelopment and land that is there but may not be readily used, he says.

For example, many of the station front properties face redevelopment problems that stem from their very location. They tend to be in areas that are already highly developed and so are subject to strict regulations.

Another factor that will probably affect share prices movement in the future is the willingness of the land-owning company actually to redevelop its land. For established companies that have long been in a particular field of business, the idea of running office buildings or resort facilities may not be all that appealing.

Another way that investors can enter the redevelopment scene is by buying the big property companies, such as Mitsubishi Estate, Tokai Land or Mitsui Real Estate.

The Japanese stock market was closed yesterday for the Sports Day holiday.

past two years, as analysts have combed company balance sheets looking for evidence of property holdings in the Tokyo area. (Under Japanese accounting conventions, assets are never revealed, so the effect of rising property values does not appear in balance sheets.)

In the past few months, the focus has sharpened somewhat. Now that the national and local governments are

EUROPE

# Overseas interest in VW powers Frankfurt to high

THE GAINS in New York and Tokyo on Friday boosted sentiment in most European bourses yesterday but Milan remained nervous before a vital parliamentary vote today, writes Our Markets Staff.

FRANKFURT moved to yet another year's high in active trade, taking some operators by surprise at the speed of its rise. The FAZ moved up 6.52 to 529.13, prompting analysts to talk of it reaching 540 or 550 in the next few weeks. Chartists say its break through 520 on Friday was significant.

The real time DAX index added 17.57 to close at 1,286.93, also a new 1988 high. Volume was a healthy DM3.5bn worth of domestic shares.

Blue chips were popular virtually across the board, but the main feature was again carmaker VW, which continued its strong run with a DM9 rise to DM238. Recent presentations on the company in Europe and the US have fuelled demand and investors are focusing on its planned cost-cutting measures and forecast of an earnings rise this year of more than 9 per cent.

Heavy interest is still coming from London, where VW was bid up to DM300 in the pre-market on the Seaq International system.

Banks were strong, partly on short-covering, with Deutsche pushing ahead DM18.20 to DM545.70. Siemens gained DM12 to DM498, and in chemicals Hoechst added DM4.40 to DM305.50 amid expectations that its results for the year will be very good, especially from its Celanese side in the US.

PARIS failed to hold onto a strong early gain triggered by good performance on Fiat in Tokyo and New York. The lack of follow-through was attributed to profit-taking and an absence of new stories: "The market has been going up for the last three weeks and everything's a bit tired," said

Some 140 international institutional investors will crowd into Deutsche Bank's twin towers in Frankfurt today for its second Autumn Investment Seminar, writes *High Simmons in Frankfurt*.

Analysts say they will know of the bank's spring seminar, held in Düsseldorf for over 10 years under the auspices of Mr Wilhelm Christmann.

The Frankfurt function is a newer affair, and still lacks much of the cachet of the Düsseldorf meeting, to which Mr

Christmann, the bank's co-speaker (chief executive) until last May, would regularly invite friends from the top echelon of German business to present their companies.

However, the Frankfurt seminar is not letting its youth get in its way. The guests - who are invited but have to pay their own transport and accommodation - are mainly from Europe, the Middle East and Asia, but include some Europe-based representatives of US pension funds.

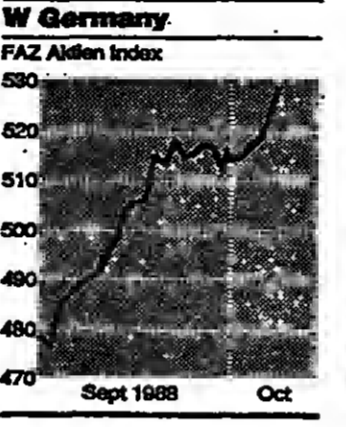
and the industrial index 3.6 to 531.9.

The day's gains were achieved despite the decision by one of the biggest banks, Bank Leu, to reduce its weightings in the FTSE-100 from 9 to 8 per cent. The move implies that Bank Leu's analysts are bearish in the medium to long-term about Swiss stocks.

Among leading stocks to report good gains, employment group Adia advanced Sfr125 to Sfr3,450 after a well-received presentation to a financial analysts' congress in Geneva. Credit Suisse also captured attention, rising Sfr45 to Sfr2,270 on news of its plan to form a new investment bank with First Boston of the US.

MILAN suffered from concern about today's crucial parliamentary vote on reform of the secret ballot system. Investors and dealers were extremely nervous, with shares closing mixed and the Comit index ending 1.30 lower at 557.17.

Weekend press reports suggesting that the coalition Government might lose the vote - which, according to one analyst, would mean disaster for the stock market and the lira - sent shares sharply down in early trading, but by the afternoon the market recovered its composure and prices firmed



across the board.

There were no individual features, with last week's good performers hit by profit-taking and the laggards being snapped up by eager investors.

BRUSSELS closed slightly ahead in line with other European markets, although profit-taking kept gains to a minimum. The forward index added 14.54 points to 5,580.85.

Engineering group ACEC slipped BFr5 to BFr780 after revealing a BFr70.7m loss in the first six months of this year. Luxembourg steel manufacturer Arbed rose BFr50 to BFr3,530 as 47,700 shares changed hands after the company said it expected to return to profit this year.

AMSTERDAM went with the trend in Europe, closing higher on Wall Street's gains and positive US economic data. The CBS index ended 0.5 up at 101.1, but below the day's high of 101.3.

Among leading stocks Philips dropped 80 cents to Fl 30.70 on news of losses at its West German subsidiary, while Gist-Brocades advanced 20 cents to Fl 43.10 on renewed takeover speculation and news of its participation in a university-run bio-research institute.

STOCKHOLM rose in active trading on turnover of SKr308m as advances outnumbered declines by almost four to one. The ATRsvärden index rose 5.4 to close at 585.9.

HEARD saw the general index gain just 1.75 points to close at 284.54 after a featureless session in which only the bank sector showed a slight loss.

ASIA PACIFIC

# Hong Kong's gains steal limelight

THE Hong Kong market was the day's feature in the Asia Pacific region, as bargain-hunting and overseas interest sent turnover and share prices sharply higher, writes Our Markets Staff.

The absence of trading in Japan contributed to quiet sessions in Australia and Singapore, and there was a breather for Taiwan investors after the recent dramatic slide in the index as the market closed for a holiday.

HONG KONG pursued last Friday's gains to end up strongly as turnover climbed above HK\$1bn. Both foreign and local investors appeared finally to be responding to analysts' advice that share prices

were good value by moving in to pick up stock in force.

The Hang Seng index gained 87.55 points, or 3.5 per cent, its largest one-day rise since January, to reach 2,566.42. On Friday the index had jumped 2 per cent. Volume increased to HK\$1.18bn, the highest for three months and a considerable improvement on Friday's HK\$688m.

The surge on Wall Street on Friday gave a boost to trading and last week's US employment data helped ease worries over rising local interest rates.

Property stocks, the dominant sector, saw the most active trading, helped by the turnaround in thinking on interest rates. Among the biggest

gains were New World Development, up 70 cents at HK\$11.70. Sun Hung Kai Properties, which added 60 cents to HK\$11.50 and Haiderson-Land, 30 cents better at HK\$6.30.

The futures market also saw a marked improvement, with October Hang Seng index futures contract up 66 to 2,566 in turnover of 782 lots, sharply higher than the 200-900 of recent months.

AUSTRALIA saw a strong start evaporate into dull, cautious trading, with the All Ordinaries ending off its highs at 1,534.6, a gain of 8.8.

Industrials led rises in low turnover of 8m shares worth A\$125m. Brambles added 30 cents to A\$10.60, News Corp 10 cents to A\$9.06 and Westpac 10 cents to A\$5.90.

Gold firms on the steady bullion price. Australian Consolidated Minerals added 5 cents to A\$2.90 as more than 2.2m shares changed hands in a special block trade worth A\$2.78m.

SINGAPORE also gained some-early inspiration from Wall Street's rally on Friday, but the session was a quiet one, with the Straits Times Industrial Index up 12.63 at 1,015.90 in low volume of 18m shares compared with Friday's 15m.

Banks, property and plantation stocks attracted most interest, but institutions generally stayed on the sidelines.

FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	FRIDAY OCTOBER 7 1988			THURSDAY OCTOBER 6 1988			DOLLAR INDEX				
	US Dollar Index	% Change Day	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year ago (approx)
Australia (92)	139.13	+1.0	121.44	115.72	4.28	137.60	120.64	114.89	152.51	91.16	169.81
Austria (17)	86.41	-0.2	77.17	85.47	2.48	85.54	77.13	85.68	98.18	83.72	101.85
Belgium (62)	123.23	+0.2	107.96	119.89	4.21	123.04	107.71	119.85	139.89	99.14	125.71
Canada (24)	123.53	+2.0	107.82	108.35	5.15	123.09	106.00	106.27	128.91	107.06	132.86
Denmark (39)	133.67	+0.3	116.67	130.08	4.44	133.25	116.45	129.99	133.19	111.25	121.49
Finland (26)	114.12	+0.0	99.61	105.02	1.68	114.11	99.90	105.16	139.53	106.27	118.78
France (130)	100.35	+0.3	87.60	99.80	3.25	100.05	87.59	99.46	100.35	72.77	107.93
West Germany (102)	80.52	+0.4	70.28	79.42	4.90	80.43	69.99	77.35	80.79	67.78	100.00
Hong Kong (46)	101.85	+2.5	88.90	102.20	4.90	99.39	87.01	77.35	111.86	84.90	128.12
Ireland (18)	135.25	+0.2	118.05	132.29	3.81	134.96	118.15	132.15	144.25	104.60	160.08
Italy (10)	74.35	+0.1	64.64	70.19	2.55	157.46	132.84	132.34	132.34	99.78	119.45
Japan (426)	158.28	+0.5	138.15	133.31	3.06	131.76	115.35	134.38	154.17	107.03	180.46
Malaysia (36)	133.32	+1.2	116.37	137.97	3.06	131.76	115.35	134.38	154.17	107.03	180.46
Mexico (13)	154.27	+0.4	134.66	136.92	1.41	154.88	135.99	137.44	180.07	90.07	208.50
Netherlands (22)	105.74	+0.9	90.55	93.84	4.44	106.23	90.03	90.63	110.66	95.22	122.71
New Zealand (26)	70.81	+0.1	61.81	60.88	6.45	70.76	61.95	61.25	84.05	64.42	132.12
Norway (25)	114.76	+0.1	100.17	107.29	2.68	114.64	100.37	107.37	132.23	98.55	181.57
Spain (26)	101.04	+0.1	101.04	109.12	4.52	114.96	100.66	108.03	135.89	97.99	171.54
South Africa (60)	106.85	-0.7	93.27	93.31	4.52	114.96	100.66	108.03	135.89	97.99	171.54
Sweden (42)	141.12	+0.1	123.18	131.55	3.04	140.96	123.40	131.56	164.47	130.73	189.45
Switzerland (26)	123.85	+1.3	103.22	108.63	2.46	123.27	107.91	116.70	129.50	96.92	136.43
Taiwan (26)	78.51	+0.9	68.53	76.88	2.19	77.78	68.09	77.35	84.77	74.17	134.71
United Kingdom (22)	130.68	+0.7	114.06	114.06	4.59	129.81	113.64	113.64	141.18	120.69	160.98
USA (582)	113.53	+1.9	99.09	113.53	3.52	111.57	97.50	111.57	113.53	99.19	127.30
Europe (1013)	107.20	+0.6	93.98	99.50	3.72	106.61	93.33	99.15	110.82	97.01	129.76
Pacific Basin (681)	135.21	+1.6	108.46	118.46	0.75	154.36	135.13	150.74	172.26	130.81	150.62
East-Pacific (1594)	136.04	+0.6	118.75	118.46	1.72	135.25	118.46	118.46	144.05	120.36	142.34
North America (788)	114.05	+1.9	95.55	113.21	3.50	111.87	97.94	111.07	114.05	99.78	129.60
Europe Ex. UK (671)	92.50	+1.3	80.76	90.58	2.99	92.08	80.62	90.27	92.99	80.27	110.25
Pacific Ex. Japan (225)	118.28	+1.5	103.22	108.63	4.44	116.76	103.18	103.18	131.77	111.77	134.71
World Ex. US (979)	135.34	+0.6	118.13	118.02	1.79	135.09	118.02	118.02	148.49	120.26	142.67
World Ex. UK (2153)	126.44	+1.1	110.36	116.68	2.14	125.09	109.51	110.54	131.77	111.77	134.71
World Ex. So. Af. (2415)	126.92	+1.0	110.78	116.57	2.36	125.60	109.96	111.49	132.59	113.24	136.35
World Ex. Japan (2019)	111.76	+1.4	97.56	108.09	3.62	110.21	96.48	106.66	112.43	100.00	130.44
The World Index (2475)	126.80	+1.0	110.68	116.43	2.57	125.49	109.86	113.55	132.38	113.37	136.68

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (HS 5 Index); 90.791 (Pound Sterling) and 94.94 (Czech). Copyright, The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd. 1987. Confidential Changes: Belgium: Polaris (New Zealand) and Banco Vizcaya (Spain); Japan: Dai-ichi Kangyo Bank (Japan) and Dai-ichi Kangyo Bank (Japan); Korea: Daewoo Group (K.S.). Latest prices were available for this edition.

# MORGAN GRENFELL

THE FIRST SIX MONTHS

<u>Gain in value</u>	<u>Rank in sector</u>
American Growth	+11.5%
European Growth	+12.1%
International Growth	+2.6%
UK Equity Income	+4.5%

18th out of 119  
9th out of 102  
59th out of 167  
7th out of 125

Six months following their launch in Spring 1988, all our funds are comfortably placed above their sector average - three are in the top 20. Capitalise on the strength of this performance.

Telephone us today.

## CALLFREE 0800 282465

**MORGAN GRENFELL**  
UNIT TRUSTS

# UNIT TRUSTS

The value of these investments may fluctuate and is not guaranteed. Past performance is no guarantee of future returns. Issued by Morgan Grenfell Unit Trust Managers Ltd. Member of LAUTRO, IMRO and the U.K.A.